

THE JERUSALEM POST

Vol. LIV, No. 16254 Tuesday, July 1, 1986 • Sivan 24, 5746 • Shavul 24, 1406 NIS 0.72 (Eilat NIS 0.63)

Education
worries
Page 4

SECOND EDITION

Cash
upset in
Wimbledon
Page 3



Na'ama Lehmann gets a ride on her father's shoulders at yesterday's demonstration outside the Knesset for tolerance and understanding among Jews. Her sign reads: 'I love you all!' See story on page 4. (Elihu Harari)

GSS man was offered Bezek job to avoid court case

By BARBARA AMOUYAL

For The Jerusalem Post
Prime Minister Peres and Vice Premier Shimon Peres both offered former Shin Bet officer Rafi Malka the director-generalship of Bezek, the government telecommunications company, shortly after he was fired from the General Security Service some three months ago, sources close to the Shin Bet told The Jerusalem Post last night.

According to the sources, the Bezek position was offered to Malka in the hope that he would change his mind about taking his case to the High Court of Justice. The sources also revealed that Malka had been offered large amounts of money, and, if Bezek did not suit him, managerial positions in "other top government concerns." The purpose of the offer was evidently to persuade the former Shin Bet officer not to go public with his accusations against Shin Bet chief Avraham Shalom.

A spokesman for Communications Minister Amnon Rubinstein said last night that the minister responded with "shock and disbelief" when asked about the alleged offer. "The minister would most certainly have been consulted if such a proposal had been made," the spokesman said.

Referring to last night's in camera High Court hearing in which Malka asked the court to reinstate him and two others fired by Shalom, one source said: "To this day, all those fired by Shalom receive full salaries, a car and all pension rights. How can anyone dare take these away from them when there was no justified reason for firing them?"

There is hope that the court will order Shalom to say when he will resign. There is some fear that the matter will be left open and then, if and when rotation occurs, Shalom will reinstate the men.

The source disclosed that Malka was not the only sacked Shin Bet officer to be made such offers. "To the best of my knowledge, all offers have been flatly refused. These men will not respond to them and will not, contrary to press reports, leave the country. They simply want their jobs back," he said.

The source added that the Shin Bet will have "severe leadership problems" if the three men are not reinstated.

Shalom: I acted with permission

By BARBARA AMOUYAL

General Security Service (Shin Bet) chief Avraham Shalom admitted, in asking President Herzog to pardon him, that he had acted "on authority and with permission" in the Ashkelon hijack affair.

Shalom's request for pardon was submitted as evidence yesterday when the High Court heard four of five petitions calling for the revocation of last week's presidential pardon and for the resumption of a police inquiry into the Shin Bet affair which had been ordered before his ouster by former attorney-general Yitzhak Zamir.

"My actions were carried out on authority, and with permission so as to maintain the security of the state and to prevent disclosure of its most closely guarded secrets," wrote Shalom in his request for pardon.

Also admitted as evidence was Zamir's letter to Police Inspector-General David Kraus ordering a complete police investigation into the Shin Bet affair.

Zamir's letter, first made public at yesterday's hearings, said "The chief ordered his men to kill two terrorists" (Continued on back page)

Peres on the Shin Bet affair: Probe needed to remove doubts

By BENNY MORRIS

Post Diplomatic Correspondent
Despite apparent movement yesterday by the Likud and Labour leaders towards a possible compromise based on a sole investigator into the general security service affair, the Alignment's rebel ministers — who are demanding a full-scale commission of inquiry — made a major gain yesterday when Prime Minister Peres for the first time publicly declared that the affair must be investigated.

Some MKs yesterday afternoon preferred to abandon the debate in the House and move to downtown Jerusalem, where the High Court of Justice heard six petitions relating to the affair. While there is a certain lack of synchronization between the

political and judicial developments, the two sets of events are undoubtedly affecting each other.

Responding to five no-confidence motions in the Knesset, Peres said that the "allegations" against the Shin Bet and the political echelons of a cover-up relating to the killing of two captured Arab terrorists in 1984 "must be investigated in a way which removes doubts." Peres said that he was ready to face a "judicial commission of inquiry" and that he had "nothing to hide."

Observers yesterday said that Peres' public declaration, coming on top of the weekend decision by most of the Alignment's ministers and MKs to back a judicial commission of inquiry, marks a point of no-return. There can henceforward be no solution to the affair that precludes an investigation, said the

sources, unless the Likud prefers a break-up of the government.

Likud spokesmen yesterday generally reiterated their blanket opposition to any form of investigation. But Vice Premier Shamir, in an interview given to Galiel Zahal, hinted that he did not rule out any investigation which was not carried out by a commission of inquiry. Shamir insisted that he opposed a "commission of investigation."

Shamir yesterday repeated his charge that the Labour rebels were primarily motivated by a desire to break the rotation agreement.

The High Court of Justice was due to reconvene this afternoon to continue hearing the five petitions against last week's government-ordered Shin Bet deal, in which Shin Bet chief Avraham Shalom resigned in exchange for a presidential

pardon aimed at rendering an investigation of the affair pointless. The first four petitions attack the legality of the deal.

The fifth petition, lodged yesterday by 12 Hebrew University and Tel Aviv University law professors, calls upon the court to order the justice minister and police to go ahead with the investigation ordered by former attorney-general Yitzhak Zamir. That order was shelved in the wake of last week's package deal.

The High Court last night also heard the earlier, separate petition by former Shin Bet senior executive Rafi Malka against Peres and Shalom.

Peres yesterday insisted that he was "not accusing anyone," an obvious reference to Shamir, concerning the "political echelon's" possible (Continued on Page 2, Col. 4)

PM treads cautiously

Prime Minister Peres' Knesset speech put the argument between the Alignment and the Likud over the role of the political echelon in the Shin Bet affair on ice yesterday afternoon. He threw a sop to his own Alignment



Prime Minister Peres has a word with Vice Premier Yitzhak Shamir during yesterday's Knesset debate on the Shin Bet affair. (Rahamim Israeli)

ANALYSIS
ASHER WALLFISH

ment faction by advocating some form of inquiry to "remove all doubt without glossing anything over." But he couched this in language calculated not to rub the Likud up the wrong way.

"Peres spoke in a minor key today and he made an excellent speech," the Likud's Gideon Patt, minister of science and development, told The Jerusalem Post moments after Peres had concluded.

Attempting to calm coalition tempers, Minister without Portfolio Moshe Arens said after Peres' speech that he did not expect a full-fledged coalition crisis, stressing that Peres had not come out firmly in favour of an inquiry.

The prime minister took pains not to define the target of the "doubts" and the "accusations." Because of his cautious discretion on this and similar points, Peres drew no flak from the Likud benches, whose annoyance was aimed at the Shinui leader, Communications Minister Amnon Rubinstein.

(Continued on Page 2, Col. 2)

Coalition defeats five no-confidence motions

By ARYEH RUBINSTEIN

Post Knesset Reporter
Prime Minister Peres told the Knesset yesterday that, while he was not accusing anyone on the political level of making the Shin Bet a scapegoat for his own misdeeds, the accusations must be examined by a judicial body in order to remove all doubt.

When he said that, towards the end of his 45-minute reply to five no-confidence motions, Likud members interrupted him for the first time.

"Who's accusing whom?" they asked. "What about the 'witches' dance?" The reference was to President Herzog's statement that he had granted amnesty to Shin Bet head Avraham Shalom in order to put an end to the "witches' dance" around the entire affair. Peres used the same expression in his speech to justify the cabinet's recommendation to the president.

Raising his voice, Peres said: "As the political level, have nothing to hide. I am ready to appear before any inquiry commission." Not unnaturally, some listeners, at least, saw here a hint that Vice Premier

Yitzhak Shamir could not make such a statement.

Peres said he could not state the government's stand on the request of a "group of ministers" for an inquiry commission, because no govern-

ment stand "has crystallized yet."

The prime minister gave a detailed review of the affair, beginning with the hijacking of the Ashkelon-bound bus in April 1984. When he was appointed prime minister in September 1984, the Zorea Commission had already reported and the Blattman Commission had already been appointed.

(Continued on Page 2, Col. 7)

Nurses to abandon their patients again

By MENACHEM SHALEV

For The Jerusalem Post
The country's health system is facing a total turmoil this morning. Patients in hospital departments will again be abandoned by the nurses.

Those who need to get to and from the hospital will encounter limited or no services with operators leaving them the effects of the second day of the hunger strike.

Those who "only" need treatment of minor ailments will also be abandoned due to sanctions by the unions and clinic nurses.

Prime Minister Peres, Health Minister Mordechai Gur and Finance Minister Moshe Nissim took time off from the no-confidence debate in the Knesset yesterday to announce that the government would not hedge from its stated position of not holding talks with the nurses outside the framework of the

general public-sector wage talks.

The nurses, however, told The Jerusalem Post that the government had agreed to their demands for talks "with no preconditions," as long as the agreement was not put in writing. The nurses say that they rejected the offer and still insist that Nissim, Gur and Histadrut leaders "personally" negotiate with them.

One member of the nurses' action committee told The Jerusalem Post that "we are tired of dealing with officials who are constantly deceiving us."

Two senior Magen David Adom officials submitted their resignations last night in protest against the Finance Ministry's cancellation of a wage agreement which had been reached in May between the MDA management and workers. The agreement had been reached after a three-day hunger strike.

(Continued on page 7)

U.S.-Israel said to agree on Sella's investigation

By WOLFBLOITZER

WASHINGTON — American and Israeli officials yesterday completed another round of talks on the Jonathan Jay Pollard spy scandal, and apparently established the ground rules for the American questioning of Israeli Air Force Col. Avram Sella, who has been implicated in the affair.

Given the sensitivity of the case, they refused to provide exact details, but suggested that a U.S. delegation would probably return to Israel soon to question Sella and others involved in the case.

Ambassador Meir Rosenne, joined by visiting Tel Aviv attorneys

Haim Zadok and Ram Caspi, Washington lawyer Leonard Garment, and Haim Bar-On, the visiting deputy director-general of the Foreign Ministry, met with the U.S. attorney for the District of Columbia, Joseph deGenova, and other U.S. Justice Department officials investigating allegations of Israeli espionage in the U.S.

The U.S. and Israeli teams were primarily anxious to establish the specific conditions for questioning Sella, who has been linked to Pollard in the espionage ring. Sella is today commander of the U.S.-built and financed Ramon Air Base in the Negev.

Soldier hurt in South Lebanon

Jerusalem Post Staff

An IDF soldier was lightly wounded yesterday during a search operation in the South Lebanese Security Zone. The Army was carrying out an intensive search following the firing of 107mm Katyusha rockets which landed in northern Galilee before dawn yesterday.

No one was injured and no dam-

age was caused by the exploding missiles.

Unidentified sources in South Lebanon reported that a large IDF force comprising helicopters, tanks and armoured personnel carriers participated in the search for the perpetrators of the Katyusha attack. According to the UN sources, IDF units exchanged fire with gunmen who escaped north of the Security Zone.

Social workers to strike after murder

By BERNARD JOSEPHS

Jerusalem Post Reporter
The country's social workers are to strike today in protest against the murder of one of their colleagues who, they claim, died partly because of government neglect of welfare services.

All welfare and social work departments will be closed from this morning.

"This is one way of expressing our grief and anger over the killing of a young woman who died while fulfilling her professional duties," said Sara Zilberstein, head of the Social Workers' Association.

The social worker, Amalia Levine, was killed in the Migdal HaEmek social welfare office when a crazed husband barged into Levine's office looking for his wife, a client.

This was one of two murders that occurred yesterday against the background of marital discord. In Yavne, a man fatally shot his wife in an elementary school and was later killed in a shootout with the school janitor. (See page 2 for both stories.)

Zilberstein said that, if the authorities had heeded her

organization's repeated warnings, Levine would not have died.

"We warned over and over again about the deterioration of social conditions, the growth in unemployment and the growing social tensions," she said.

"But the authorities did nothing, in fact, they cut welfare budgets to make our task even harder."

Zilberstein stressed that she and her colleagues felt that the government was partly responsible for the murder. She went on: "The government deserted us. The budget cuts left us like soldiers without weapons."

Social workers found themselves caught between lack of funds and increased demands on their services. "Growing numbers of people needed us, but we were left with our hands tied," she said.

Zilberstein accused the authorities, and particularly the minister of labour and social affairs, of remaining indifferent, despite warnings from her members that a tragedy would occur.

"We flashed a red light, but the authorities refused to see it," she said. "Now we have paid the highest possible price. We demand that the welfare budget be restored by the government in order to prevent further tragedies."



Open a V.I.P. account and make your special relationship with Israel a profitable one.

Are you a frequent traveller to Israel? On business? To visit your family? Because you're considering Aliya? Or just because you care... Bank Hapoalim's Visit Israel & Profit (V.I.P.) account benefits you and Israel too.

or anywhere else in the world. And all your V.I.P. transactions are completely confidential, of course.

Start to profit now

Come to our Tourist Centers in Tel Aviv, Jerusalem or Netanya. You'll find friendly and knowledgeable banking professionals ready to help you with all of your financial needs—in your own language. Or step into the nearest Bank Hapoalim branch. Because when it comes to transforming a special relationship into a profitable one, we're the bank to talk to.

A major bank in Israel and worldwide

Be confident in the knowledge that your V.I.P. funds are backed by the \$22 billion in assets of Bank Hapoalim. With 370 branches around the world, Bank Hapoalim is a major bank in Israel and one of the world's 100 leading banks. It is active in the financing of Israel's exports, agriculture, high tech industries and scientific projects.

How do you benefit?

Your V.I.P. time deposit accounts in U.S. dollars or any other foreign currency earn high interest—tax-free in Israel. You'll have access to your V.I.P. funds at any time: in Israel, at home

Bank Hapoalim

Tourist and Foreign Resident Centers
Tel Aviv: 104 Hayarkon St., Tel: 03-243311.
Jerusalem: 16 King George St., Tel: 02-22321.
Netanya: 11 Kikar Ha'atzmaut, Tel: 053-39741.

I would like to learn more about Bank Hapoalim's Free Foreign Currency Accounts. Please send me your brochure and bank-by-mail forms.

Name: _____ Tel: _____
Home Address: _____
Israel Address: _____
I am in Israel until (date) _____

Herzog warns of factional violence as 'ominous' threat

Rally calls for religious tolerance

By HAIM SHAPIRO
Jerusalem Post Reporter

The danger of factional violence is not a passing phenomenon in Israel; it is present from the beginning of the state and it is even more ominous today, President Herzog warned yesterday.

Herzog was speaking to some 3,000 people demonstrating outside the Knesset for religious tolerance and understanding. Ironically, the issue, which less than a fortnight ago appeared to be of utmost importance, was yesterday dwarfed by the furor over the presidential pardon of Shin Bet chief Avraham Shalom, which was being discussed in the Knesset as the demonstration took place.

Also ironic was the fact that, although it was a gathering devoted to understanding between Jews, almost all the male participants wore knitted skullcaps. A few dozen secular Jews with bare heads were there, along with less than a *minyan* of black-coated ultra-Orthodox men.

This was partly because the gathering had been organized by the Religious Kibbutz movement, which based in thousands of members. Other sponsors included the General Kibbutz Movement (Takam), Kibbutz Ha'artzi of Hashomer Hatzair and the moshav movement.

Chief Rabbi Avraham Shapira and Mordechai Eliyahu, who were scheduled to appear, did not attend though they sent a letter of support. One of

the reasons for their absence, a source in the rabbinate told *The Jerusalem Post*, was that the programme included songs by a mixed chorus of men and women from religious and non-religious kibbutzim in the Beit She'an Valley. French Chief Rabbi Rene Sirat did attend.

The president stressed that, if the ultra-Orthodox *haredim* see themselves as a persecuted minority, as many have said recently, we must all take it to heart. To the *haredim* he said: "Most Israelis, religious and non-religious, want to live together with you in peace. We will not eliminate our differences with violence."

See picture, page one

Soviet Jewish activist Natan (Anatoly) Shcharansky told the gathering that the Jews of Russia, both those who have come to Israel and those who are waiting to come to Israel, feel strongly drawn to the people of Israel, religious and non-religious alike.

"We have overcome the pogroms and fires from without; now we must put out the fires from within," he told the crowd. Jews know well the value of freedom of expression and the freedom of the individual.

"Differences can be a constructive force, but every Jew should remember that the most important *mitzva* is to live in the Land of Israel and

whoever interferes with the right of any Jew to live here sins against the entire Jewish people," he said.

Some of the speakers referred to specific examples of tolerance and goodwill. Jerusalem Mayor Teddy Kollek spoke of a school for the retarded, which religious and non-religious, Jews and Arabs, boys and girls, attend, where a dozen students of a nearby *haredi* school come in daily to help feed the children and even take them to the toilet.

Muki Tzur of Ein Gev recalled that, as a boy, he had been a member of the "Relavia gang" in Jerusalem. The relationship between them and the gang of nearby Shaare Haredim had been one of stone-throwing, "but both we and they understood that the situation could deteriorate into war and we kept our limits."

An unexpected speaker was Rabbi Naftali Greenberg of the *haredi* section of Jerusalem's Ramot neighbourhood, who warned against stereotyping the *haredi* public. There are fringe elements in every group he said, who engage in "foolishness" as a result of the "evil inclination."

Rabbi Daniel Tropper, of Gezer, a group devoted to promoting greater understanding between religious and non-religious Jews, stressed that the bottom line was that all Jews had to honour the views of others, even if they didn't agree with them.

'No one can imagine the stress we work under'

Plight of the Magen David strikers

By MENACHEM SHALEV

"No one can imagine the stress we work under," said Benzi Tzadik, a 28-year-old Magen David Adom ambulance worker and paramedic on the second day of the country-wide hunger strike declared on Sunday by MDA workers.

"I get an urgent call in the middle of the night. I am alone in the ambulance, and I have to carry a 136 kg. man down from the fourth floor. I drive like crazy to the nearest hospital and, on top of it all, if I cause an accident I can lose my driver's licence and my career."

"I have constant back pains," he continued. "I work 48 hours a week plus weekends. And for all this I bring home little more than NIS 500 a month."

For the second time in three months, MDA workers have declared a hunger strike to press for higher wages. The previous hunger strike, in May, ended after three

days when MDA management, the Histadrut and the workers signed an agreement setting MDA workers' wages on a par with those of firemen.

That agreement, however, was scuttled by the Finance Ministry's wage department for "contravening the State Budget Law." The government foots 35 per cent of the MDA's operating budget, while 50 per cent is covered by MDA income and 15 per cent is raised from private contributions and the MDA lottery.

MDA workers are paid the same salaries as government and Histadrut clerks "who sit around four at a table for a few hours a day," said Avraham Halberberg, acting director of Jerusalem's MDA station.

The operation of ambulances is also being restricted. In Jerusalem yesterday only one regular ambulance and one intensive care vehicle were on alert, while normally four regular and two intensive-care ambulances are used.

Ambulances are being used only

for emergencies. They are not transporting patients discharged from hospitals because of the nurses' strike. Halberberg said "People are not calling to be taken to hospitals, anyway, because the system isn't functioning there either."

MDA drivers are subject to prosecution and insurance claims in cases of traffic violations and accidents. A Jerusalem ambulance driver lost his licence last week for causing an accident while crossing at a red light during an emergency run. "The driver is now sitting at home with no income at all," said Tzadik, who has decided to resign in two weeks because of the meagre pay.

"We shall strike until we collapse," said Nissim Ohev Ami, chief paramedic at the MDA station yesterday, when the hunger strikers were already showing signs of debility and it was clear that the drivers would soon be in no condition to man the ambulances.

Galilee Beduin's 'electricity from God'

By YA'ACOV FRIEDLER

Jerusalem Post Reporter

HAIFA. — "Electricity from God," home-grown food and a big Beduin tent make the Gadir family of the Yotfat Hills in Lower Galilee fairly self-sufficient.

The head of the family, Diab Mussa Gadir, 52, who lost his left eye in an encounter with terrorists in Galilee and was cited for bravery, has for the past four months been getting electricity from the skies for his family through his own small wind turbine.

The three-metre high Belgian made turbine with metre-wide blades was installed outside his tent with the aid of the Electricity Corporation. It charges a battery that assures round the clock power even when there is no wind. "But that's only for a few minutes a day on this windy hill," he told *The Jerusalem Post* as we relaxed on cushions heaped up in the tent and enjoyed home-grown olives, pitta baked from his own wheat in a traditional charcoal-fired stove, and sour cream made with milk from his sheep.

The turbine provides electric light for the tent and powers the family's washing machine and TV set.

Gadir, who has seven sons and six daughters, aged from seven to 28, is a member of the Arab Hejrat tribe who now make their permanent home in nearby Bir Maksur village.

"I was born on this hill and so were my father and grandfather. I'll spend the rest of my life here with my wife. But my children move to Bir Maksur once they marry."

"After I go, the tent will be folded-up," the short, very strongly built ex-Army tracker, said.

Four of his sons are already married and living in Bir Maksur. They have given him six grandchildren. Two of the sons are serving in the police. Another is in the paratroops, and 17-year-old Mohamed is completing his studies in the Ordnance Corps technical school. He was the honour graduate in his class's Gaden (pre-military) platoon commander's course, and intends joining the paratroops next year.

Diab himself served as an army tracker from 1958 to 1962, and then joined the Border Police. He was invalided out with sergeant's rank shortly before the Six Day War.

He got the idea for "God-given electricity" when he helped the Electric Corporation put up large, commercial wind turbines on neighbouring hills for an experimental wind-power farm. His knowledge of the area helped the corporation place the turbines in the right spot. The corporation's general manager, Yitzhak Hoff, sent him a letter of appreciation which he parlayed into help for a turbine of his own, which cost about NIS 2,000.

The authorities have been good to him. Besides working land leased from the Israel Lands Authority in the Netufa Valley, and grazing 80-head of black goats on the hills, he also looks after state-owned land in the area.

"I think I was the original mitzpe (look-out settlement) here," he said. The Misgav Regional Council provides the family with water from the pipeline to nearby Mitzpe Hararit, and medical services at its regional clinic. Five of his younger children attend the regional school. "Their classmates enjoy a special birthday treat when they invite them to sleep in their 'real Beduin tent,'" he said.

While he grazes his herd on the hills, Diab also looks after some 1,000 dromedaries of hilltops that were barred to goats by the Nature Reserves Authority five years ago. The area is completely rehabilitated and is lush with trees, undergrowth and flowers, "a joy to behold, but not for goats to eat," he said.



(Israel Sun)

Education worries Major budget crisis looms

By BERNARD JOSEPHS

Jerusalem Post Reporter

Education chiefs are facing a major budget crisis today as more than a million pupils begin their long summer holiday.

The crisis centres on a Treasury demand that teaching be cut by 60,000 hours next school year in order to reduce education spending by \$22 million.

Education Minister Yitzhak Navon yesterday described the budget squeeze as "terrible" and pledged that there would be no reduction in school hours.

But Finance Minister Moshe Nissim said that if a way were not found to slash teachers' hours, some 2,700 of them would have to be fired.

The ministers appeared together yesterday before the Knesset Education Committee.

Nissim rejected a suggestion by the body that a compulsory loan be raised to avoid a reduction in educational standards. "We have to lower the cost of living, not raise it," he said.

He called on the committee to appeal to teachers to forgo pay for non-teaching hours, which they are to receive under the recommendations of the Etzioni report on teachers' pay and conditions.

If they do not agree to this, Nissim said, "history will be the judge." Schools were not alone in facing the financial crunch, he said. The army, the farmers and settlements all wanted more money and would have to make do with less.

Navon told the committee he rejected Nissim's argument. And, he warned, if the teachers did not agree to cuts, he was not prepared to reduce the education budget "by one penny."

Earlier, at a press conference to mark the end of the school year, Dr. Dov Goldberger, a senior aide to the

education minister, said the teachers had already indicated they were not prepared to accept cuts.

Continued Goldberger: "We have done whatever we can do to be efficient. Important items such as visits to museums and libraries have already been cut to the bone."

"Now we face a big problem. We will not reduce classroom hours and we cannot fire teachers. The outlook for the new year is serious."

Navon told the press conference that the ministry intended to continue stressing the themes of democracy and co-existence through education next year.

The controversial programme of meetings between Arab and Jewish schoolchildren would continue. But, he stressed, such meetings would not be compulsory and they would be well planned.

Another central theme of the new school year would be science and technology, in order "to prepare pupils for life in the next century," said the minister. A special committee would be set up to oversee a programme of encouraging these subjects.

Navon spoke of an "extremely grave" shortage of science teachers and of laboratory facilities. The country was short of 280 high-school science labs and 480 elementary-school nature rooms, he said.

In the face of stringent cash restrictions and the need to boost science and technology, Navon revealed, he had approached Jewish fund raisers abroad to help in the programme.

On the bright side, officials reported that illiteracy had been reduced by about one-third between 1974 and 1984, while in the same period the number of people going on to higher education had grown by 40 per cent.

Haifa's 'Jaws scare' over

By YA'ACOV FRIEDLER

HAIFA. — A large shark, which had been frightening bathers here for some time, was apparently caught on Sunday. But jelly fish off the beaches continue to make bathing here hazardous.

The crew of the trawler Berczik landed the three-metre long shark, which weighed almost half a ton in their nets.

"It was less than the five-metre beast nervous bathers have reported, but it may be the shark that everybody feared," said Arye Tsur, secretary of the fishermen's union.

The crew sold the shark for its flesh, which is considered a delicacy in Gaza, to a merchant there for NIS 150.

Meanwhile, many children and adults have been seeking treatment in Haifa clinics for jelly fish stings.

Large schools of the jelly fish have appeared off the beaches, as they sometimes do in summer.

The jelly fish sting on contact, causing painful swelling that may take up to three days to subside. The wound resembles a skin burn and is easily treated by a physician.

"The sting of the jelly fish off our coast is not dangerous," a spokeswoman for the Poisons Information Centre at Rambam Hospital told *The Jerusalem Post*. It is usually not advisable to try to cool the burning sensation with cold water. The best advice for bathers is to seek first aid on the beach and then to visit a doctor. If the physician diagnoses an unusually bad toxic sting, or requires additional information, the centre should be contacted at (04)-534278.

IN BRIEF

Ofakim fights lay-offs

OFAKIM (Itim). — A meeting of all the works committees in this Negev town yesterday set up a joint body to fight against the impending dismissal of 110 workers from the privately-owned Of-Are textile plant. The workers were handed their dismissal notices earlier this week.

The meeting called upon the government to appoint a receiver to run the company. It was also proposed that the Histadrut help put the company back on its feet.

Ofakim leaders are to meet today with the Knesset Labour and Social Affairs Committee to discuss how to overcome the town's high unemployment rate. One-tenth of the town's labour force is now unemployed, Yehiel Bentov, the head of the local council said.

Arab councils to strike

SHFARAM. — A general strike planned by Arab local councils throughout the country is to go ahead today despite appeals by government authorities to postpone the action.

The heads of the local councils are demanding that the Interior Ministry transfer a promised \$1.1 million to them.

Government sources yesterday appealed to the council leaders not to strike because, they said, the funds would be transferred in the very near future.

Balas loses lien bid

TEL AVIV (Itim). — Financier David Balas's request that a lien be placed on the property of a Savoyon woman he claims owes him money, was rejected yesterday by the district court on legal technicalities.

Balas said that he lent Anat Azari NIS 85,000 between 1982 and 1984 and that she repaid only NIS 379. The judge rejected his request, noting that "it was not signed and additional documents and testimony were missing."

Ex-cop faces 8 charges

TEL AVIV (Itim). — A former policeman, Yosef Hadif, 30, of Petah Tikva, was yesterday charged in the Tel Aviv District Court on eight counts of bribery, fraud and theft while on duty in Abu Kabir lockup.

In the same court yesterday, Daniel Tzabas, 35, was charged with trying to extort money in February from Ephraim Makadasi, who is 81.

More pay for soldiers

Post Defence Reporter

Soldiers in the IDF permanent force are to receive a one-time grant to compensate them for serious erosion in their salaries, the IDF's Manpower Branch announced yesterday. The grant will be NIS 900 for the top ranks and NIS 600 for others. According to Manpower Branch figures, permanent force salaries have eroded by 20 per cent over the past two years compared to those in the public sector, and by 31 per cent compared to the private sector.

Direct line to Ethiopia

Jerusalem Post Reporter

Ethiopian immigrants wishing to telephone relatives or friends in Ethiopia can now dial their numbers directly. As of this morning, Ethiopia is one of 37 countries added to the list of 104 that can be reached by direct dialling.

The cost of a call to Ethiopia is NIS 5.51 per minute.

T.A. restaurant blast

TEL AVIV (Itim). — A bomb exploded in a Bat Yam fish restaurant early Monday morning, starting a serious fire but causing no injuries. Firemen evacuated tenants from apartments above the restaurant and needed several hours to bring the blaze under control.

Volunteers aid bereaved

TEL AVIV. — More than 500 volunteers are giving support to thousands of bereaved families and families of injured soldiers, the head of the Defence Ministry Rehabilitation Department said yesterday.

Arye Fink said that the volunteers fulfil an important role, especially during the first difficult period after loss or injury and that there are no words to describe the "miracle" they perform.

STATE OF ISRAEL

Goods and Services Price Stabilization Order
(Ad Hoc) (Maximum Retail Prices) 1986

Effective July 1, 1986

New Prices for Soft Drinks

| Commodity | Contents | Container | Retail Price (NIS) Incl. VAT | Retail Prices (NIS) in Eliat Region |
|--|-----------|-----------|------------------------------|-------------------------------------|
| Coca-Cola, Kinley and Sprite, product of the Central Bottling Co. Ltd. | 1.5 litre | Bottle | 1.35 | 1.16 |
| Tempo, Cancal | 2 litres | Bottle | 1.66 | 1.41 |
| Schweppes, product of Jaf-ora Ltd. | 2 litres | Bottle | 1.76 | 1.49 |
| Cristal, product of Tabori Ltd. | 2 litres | Bottle | 1.65 | 1.40 |
| Light citrus drink | 65 cl | Bottle | 0.35 | 0.28 |
| Cristal light citrus drink, product of Tabori Ltd. | 1 litre | Bottle | 0.83 | 70.0 |
| Light citrus drink, product of Jaf-ora Ltd. | 1 litre | Bottle | 0.60 | 0.51 |

New Prices for Matches

| Commodity | Packing | Retail Price (NIS) Incl. VAT | Retail Price (NIS) in Eliat Region | | |
|-----------|--------------------|-------------------------------------|------------------------------------|------------------------|------------------------------------|
| Matches | Single box | 0.07 | 0.06 | | |
| Commodity | Packing | Wholesale Price (NIS) excluding VAT | Wholesale Price in Eliat Region | Retail Price incl. VAT | Retail Price (NIS) in Eliat Region |
| Matches | Packet of 12 boxes | 0.56 | 0.56 | 0.70 | 0.61 |

Toothpaste and Shaving Cream/Foam

| Product | Manufacturer | Name | Retail Price (NIS) Incl. VAT | Retail Price in Eliat Region |
|---------------|--------------|-------------------|------------------------------|------------------------------|
| Toothpaste | Shemen | Fluoride, 70 g. | 0.92 | 0.79 |
| Toothpaste | Etz Hazeith | Zebra, 70 g. | 0.90 | 0.77 |
| Toothpaste | Izhar | Solidox, large | 1.05 | 0.89 |
| Toothpaste | Izhar | Solidox, giant | 1.72 | 1.46 |
| Shaving foam | Shemen | Hawaii, can | 4.80 | 4.08 |
| Shaving foam | Izhar | Mem Shaving 2 | 3.44 | 2.91 |
| Shaving foam | Izhar | Mem Shaving, reg. | 4.78 | 4.04 |
| Shaving cream | Izhar | Mem Shaving | 1.47 | 1.25 |
| Shaving cream | Izhar | Mem giant | 2.22 | 1.88 |

| STATE OF ISRAEL Permit to Raise Prices granted in accordance with Goods and Services Price Stabilization Law (Ad Hoc) 1985 | | | |
|---|--|-------------------------------------|--|
| Under powers granted us by Section 7 (a) (2) of the above law, we order as follows: | | | |
| It is permitted to raise the price of the commodities described in Column B, the customs tariff numbers of which are given in Column A, above the determining price, by an amount not exceeding that given in Column C. | | | |
| This permit comes into effect on July 1, 1986. | | | |
| Column A Customs Tariff Number | Column B Commodity | Column C Percentage Increase | |
| 19.07 | Cakes, biscuits, cookies and wafers, as described below: | | |
| 19.08.9900 | (1) Cakes, biscuits and cookies, the retail price of which, without the addition of VAT, does not exceed NIS 2/kg. | 12 | |
| | (2) Wafers, the retail price of which, without the addition of VAT, does not exceed NIS 3.25/kg. | 9 | |
| | (3) Other cakes, biscuits, cookies and wafers | 5 | |
| 22.01 | Mineral water and soda water | 8 | |
| 22.02 | Light and non-alcoholic beverages | 8 | |
| 34.02.9900 | Organic surfactants used in laundering and cleaning | 5 | |
| Ariel Sharon Minister of Industry and Trade | | Moshe Nissim Minister of Finance | |

"MANY INVOLVED people in this community know more about Ethiopian Jews going to Israel than they do about aliyah from Los Angeles," says David Kurz.

The 39-year old Kurz, an Angelino born and bred who settled in Israel a dozen years ago, has returned to his old hometown as director of the first Aliyah Demonstration Project in the U.S. He hopes that some of the communal ignorance will have been dispelled by the time his 30-month assignment is up.

Kurz's story is an interesting one in itself. But his presence here is more significant for what it says about the changing relations between Diaspora communities and Israel and the expanding sense of responsibility and self-assurance of Jewish federations in Los Angeles and other American cities.

Both these evolutionary trends gained direction and momentum through the so-called Caesarea Process, named for a crucial 1981 conference in the ancient seaside city.

The meeting gave a powerful push toward redefining the partnership balance between the two blocs that run the Jewish Agency - the World Zionist Organization (WZO), which is largely controlled by Israel's political parties, and the Jewish federations and other fund-raising bodies in the Diaspora that underwrite much of the Agency/WZO budget.

One major outcome was to give the federations a strong voice in areas previously monopolized by the WZO, including the promotion of aliyah from the U.S. and other Western countries.

THE EXISTING aliyah setup had been under fire for some time. The Israelis were unhappy with the mere trickle of settlers from the West, particularly the U.S. Many Americans, in turn, felt that too many of the emissaries sent from Israel were ineffective because of their poor grasp of the ways of the Diaspora communities to which they were assigned.

Ultimately, the upshot was an agreement to launch a new kind of aliyah approach in five cities - Los Angeles, Miami, Milwaukee, Atlanta and Toronto. As a key provision of the agreement, the Jewish federations of the selected cities - which, if nothing else, know how to operate the levers for mobilizing their communities - pledged to put their backs and money into boosting aliyah.

In the more circumspect language of the proposal approved by the Jewish Federation Council of Greater Los Angeles, the latter assumed "a sense of responsibility for helping Jews view aliyah as a significant opportunity for Jewish living in contemporary life and of major importance for the development of Israel."

As an earnest of its "sense of responsibility," the L.A. federation installed Kurz in its executive office suite when he arrived in February. That puts him within handshaking distance of his immediate boss, JFC executive vice-president Ted Kaner, which is both a status symbol in itself and a reflection of Kaner's strong support of the aliyah project.

Kurz has other bosses among the lay leadership. Presiding over the American-Canadian Aliyah Commission, formally a subcommittee of the Jewish Agency's Long-Range Planning Committee, is Irwin Field of Los Angeles, who has just finished his term as national chairman of the United Israel Appeal.



David Kurz: 'Israel is a different ballpark, where they play by different rules.'

Bringing home the importance of aliyah

LETTER FROM LOS ANGELES/Tom Tugend

Head of the L.A. lay committee is Prof. Gerald Babis, a noted educator and social scientist, who put forward many of the concepts underlying the aliyah project. Field doubles as co-chairman of the local group.

KURZ CITES three major areas he plans to tackle during the 30 months of the demonstration project.

One is to put aliyah on the public agenda as a priority "as important as fund raising, education, internarrative or any other." The channels for carrying his message flow through the established institutions, such as Hillel groups on college campuses, Jewish community centres, synagogues, other organizations affiliated to the federation and, of course, the communications media.

Kurz, a social worker by profession, cites as his second aim the establishing of a "support system" for potential olim. "Many who made aliyah but then changed their minds and came back to the States set out with little emotional and factual preparation," he explains. "Before they go, they must accept that they'll be coming into a different culture, that Israel is a different ballpark, where they play by different rules."

Among the preparatory support he envisions are intensive Hebrew ulpanim, acculturation workshops and panel discussions with former Americans who adjusted to Israeli life.

Kurz says he hopes to involve the Jewish Family Service and Jewish Vocational Service in the screening and counselling process. The two service organizations are ready in principle to take part, says Ethel Taft, associate director of the Jewish Family Service. At this point,

however, they are still weighing the scope and details of their involvement.

Finally, Kurz projects a different support system once the local family arrives in Israel by establishing a kind of "buddy system" between veteran olim and the newcomers.

The way it would work is that a settled Israeli family, originally from L.A., would meet the new people at the airport and walk them through the absorption process. "They would take the newcomers to the bank to help establish an account, then to a market for shopping and all the rest of the mechanics of daily living," Kurz said.

The federation, Kurz notes, has already set up an emergency loan fund for ex-Angelinos in Israel, and he hopes that it may follow up with a housing loan fund.

BUT THE PRECISE details of such plans are of less moment than "the sense of experiment and excitement" Kurz feels surrounds the project. "We have been mandated to take risks," he says, "to try new ways even if they don't always work out."

Babis agrees: "There hasn't been one person or one organization that has turned us down," he says.

The four other cities selected for aliyah demonstration projects have been slower than L.A. in getting off the ground. According to Field, the federation plans in Miami and Milwaukee are "in the formative stages of getting started, while Atlanta and Toronto are lagging farther behind."

The annual budget of the L.A. project comes to \$90,000, with the WZO picking up \$60,000 and the federation the remaining \$30,000. The same WZO also underwrites

the operations of the Israel Aliyah Centre, which is housed in the same building as the federation's Aliyah Demonstration Project.

Until now, the centre has handled every aspect of aliyah processing, and the obvious question is whether the old and new organizations can work harmoniously and effectively in tandem, or whether the American-run project will eventually replace the Israeli-run centre.

The situation offers a potential turf conflict, which all involved approach with some circumspection, and, at least on the face of it, cautious good will.

Ya'acov Weshler, an Israeli reserve colonel with 24 years army service, is the director of the Aliyah Centre. He supervises four part-time emissaries and sits on the steering committee of the federation project.

"It must be made clear that we are talking about a mutual project, and that once a person is seriously interested in aliyah we handle all the mechanics of getting him and his family to Israel," says Weshler. "This includes helping in the arrangements for the trip itself, job and housing opportunities in Israel, and the thousand and one advisory and bureaucratic details of getting the olah from here to there."

So far, Weshler's office, whose territory extends well beyond Los Angeles, has not seen any upsurge in activity as a result of the federation project and none is expected for some months.

In the long run, after the federation project has put in its 30 months, "we will find the best way to work together," says Weshler, but he is quite sure that his office will not become redundant. "Once a family has wrestled through the basic decision to make aliyah and starts the real planning, 'no one can replace the knowledge and contacts of the Israeli emissary,'" he says.

Kurz agrees that he is personally on good terms with Weshler's group, but believes that what he calls "the old-time shlichah (emissary) system" has proved largely ineffective in the U.S.

As the new boy on the block, Kurz doesn't want to hazard any long-range predictions, but he thinks it likely that problems of jurisdiction and preeminence will come up and that at some point "we will have to define what roles we will be playing."

From his higher perch on the leadership ladder and as a veteran of Israel-Diaspora politics, Field readily agrees that "issues will arise that will require discussion of roles and responsibilities."

He sees federation involvement in boosting aliyah as a long-term commitment. But he is "not sure whether federation should play the entire role." As his mandate from the Jewish Agency reads now, he adds later, "It is not the goal to have federations take over completely."

In Babis's view, all options are open at the moment. Somewhere down the road, he says, all hands will have to examine their premises and results. At that point, Babis believes, there will be recommendations to close either the Aliyah Centre or the federation project, or to institutionalize the present set-up and continue to work in tandem.

"The people from our project and the aliyah centre can have honest differences over who can best do what and when," he says. "But there is no mean-spirited enmity between us."

Positive and negative responses

THE LOUD and angry response in Israel to Charles Hoffman's series on the Jewish Agency-World Zionist Organization in the *Baltimore Jewish Times* and *Detroit Jewish News* only underscored the message of the articles: that some key leaders in Israel are unwilling to confront the tough issues at hand.

How else explain why the discussion at the Jewish Agency Assembly did not focus on the detailed, well-researched and documented five-part series of articles but rather on the accompanying art work and the matter of distribution? Instead of responding to the facts, critics have created a diversion to shout about.

The articles were generated many months ago, when Hoffman, a *Jerusalem Post* reporter, proposed writing a series for the *Baltimore* weekly magazine on whether the Agency and WZO are meeting the needs of Israel and the Jewish world, and to explore the relationship between the American Jewish leadership and the Zionist leadership in Israel.

We encouraged him to work on the articles. When we received them, we were impressed with the importance of the issues raised and with his research, which we verified through our own sources. We published the articles in five consecutive instalments in the *Baltimore Jewish Times* and its sister publication, the *Detroit Jewish News*, beginning May 16. The

By GARY ROSENBLATT/Special to The Jerusalem Post



One of Giora Carmi's cartoons

response we received was, for the most part, positive and came from the highest levels of American Jewish leadership.

TO ILLUSTRATE the articles, totalling about 30,000 words, we commissioned Giora Carmi, a well-known Israeli free-lance illustrator,

whose work has been published widely in Israel and the U.S., the *New York Times* and *Business Week*. We had the series reprinted in booklet form and sent to Jerusalem in time for the Assembly, in the hope that the articles would be read and provide useful information to anyone concerned about the Jew-

ish Agency/WZO and its vital role in Jewish life. We hoped that this would help raise the level of discourse from name-calling and turf-protecting so that the issues themselves could be dealt with.

But apparently that was not to be. Rather than tackle the central themes, critics created a side-show in dismissing the articles as half-truths and labelling the illustrations as anti-Semitic. That is indeed sad.

Even more disheartening were the reports that there were calls for Jerrold Hoffberger's resignation as chairman of the governing board of the Jewish Agency over this matter. It is he who has done so much to open up the process and make the Jewish Agency more responsible and responsive to the needs of the Jewish people. He had nothing to do with the articles, but surely it was his sense of openness and fairness that led him to believe that it would be beneficial to make these articles available to the Assembly members.

We still hope that those who care about the future of the Jewish Agency-WZO and view it as the central forum of and for the Jewish people will transcend the petty politics of ego and continue the dialogue on issues that must be addressed and will not go away.

The writer is editor of the *Baltimore Jewish Times* and *Detroit Jewish News*.

Tribute to a symbol

THE UNITED STATES is now celebrating the centennial of the receipt of the gift of the Statue of Liberty from the French nation. "Mother of Exiles," the statue was dubbed by Emma Lazarus in her sonnet, *The New Colossus*, which is inscribed on a bronze tablet affixed to the base of the statue. Written in 1893, the poem was first read that year at a fund-raising event for the Statue of Liberty pedestal.

In an obituary on Emma Lazarus in 1887, *The New York Times* notes that she was descended from one of New York's oldest "Hebrew families." *The New Colossus*, is not mentioned. It was only 20 years later, when the sonnet's words were affixed to the Statue's pedestal, that both Emma Lazarus and her words were tied to the fame and symbolism of the "Mother of Exiles."

York City on July 22, 1849, to an old Sephardi family harking back on one side to Isaac Mendes Seixas. The Lazaruses, however, showed no interest in Jewish causes. Her interest in Jewish problems was roused by her encounters with Russian-Jewish refugees while doing immigrant-relief work on Ward's Island and by George Eliot's novel, *Daniel Deronda*, which called for a Jewish national revival.

In 1882 she published essays in *Century Magazine* defending her co-religionists against anti-Semitic attacks and expressing her pride in belonging to the Jewish people. That year she also published a collection of poems, *Songs of a Semite*, which

included a Zionist poem, "Banner of the Jews." In "An Epistle to the Hebrews," a series of articles published in 1882-83 in *The American Hebrew*, the now internationally prominent poet discussed the Jewish problems of the day and recommended both technical and Jewish education for Jews as part of a general Jewish cultural revival in America. She also called for the reestablishment of an independent Jewish nationality in the ancestral Jewish homeland.

AMONG THE PHILATELIC tributes paid to the Statue of Liberty are a number of first-day covers and cancellations containing lines from *The New Colossus*.

The U.S. Postal Service has issued an International Philatelic Memento Card for the Liberty centennial which includes the last 4½ lines of the sonnet:

"...Give me your tired, your poor, / Your huddled masses yearning to breathe free, / The wretched refuse of your teeming shore. / Send these, the homeless, tempest-tost to me, / I lift my Lamp beside the golden door!"

The B'nai B'rith Philatelic Service issued a first day cover in honour of the Statue of Liberty's French sculptor, F.A. Bartholdi, which includes on the cachet a written text of *The New Colossus*.

HARVEY WOLINETZ

The Jewish World page is edited by Moshe Kohn

HASHARON

NETANYA'S LARGEST FURNITURE EXHIBITION

- ★ 30 LOUNGE SUITES IN NEW STYLES AND DESIGNS
- ★ LARGE SELECTION OF WARDROBES IN ALL SIZES AND STYLES

2 FULL FLOORS — 1,000 sq.m. **15% REDUCTION FOR NEW IMMIGRANTS.**

HOME REMOVALS BY EXPERTS: Dismantling and assembling of Wardrobes and Cupboards, etc.

Illit Furniture Ltd. 11 Kikar Ha'atzmaut, Netanya, Tel. 053-32925.

EDDIE FREUDMANN OF

ADIV TOURS LTD.

3 fabulous cruises from Haifa - 7 days, full board, kosher.

Departures: July 31, August 7, August 14

- ★ Special English speaking tour coordinator on board
- ★ Child in Barmitzva, Batmitzva year - free

\$450 - \$900 per person

Also, 10 days cruise. Departure: August 21. \$650 - \$1410

★ Special arrangements for members of AACI and HOR.

1 Knesset St. Netanya
Tel. 053-37114
Beep 053-44615 - 5361
In Jerusalem call Uri,
International Ltd.,
02-223792, 245898, 242287.

"A candlelit supper" "A bottle of champagne" "An arrangement by Kalman" "Start the mating game"

KALMAN of SAVION FLOWERS

International Florist - Ministry of Trade Award, 1986

Creator of Sensational Weddings

ISRAEL'S No. 1 FLORIST

Send flowers to the special people in your life

"Breathtaking," "Magnificent," "Incomparable" That's what our clients say of our arrangements.

Exotic feathers and strange dried arrangements Bring mystery and intrigue into your home

20% discount on all orders during June and July Shopping Centre, Kfar Shmaryahu, Tel. 052-78529

SESAME

KOSHER

Fish and Dairy Restaurant

- ★ SPECIAL OFFERS: Unlimited Wine with all meals over NIS 15.
- ★ FRESH SALMON: With new potatoes, Green Peas, and Home Made Mayonnaise. To order in advance. Only NIS. 22.

SESAME: 1 Herzl St., Netanya.

Tel. 053-24938.

CARPET CLEANING AND REPAIR

- ★ ALL TYPES OF CARPETS ★ Specializing in PERSIAN and CHINESE Carpets ★ Wall-To-Wall Carpets Cleaned in Your Home ★ Evaluation of Carpets for Insurance Purposes ★ Furniture Cleaning in Your Home

Free collection and delivery ALL SERVICES FULLY GUARANTEED

ARGAMAN

Tel. 053-31003, 33667.
Old Industrial Zone, Netanya

HENRY VILL

Continental Restaurant

"Where you can enjoy superb dining with Israel's finest chef" Host "EFFE"

Open daily for lunch and dinner

Reservations call 052-78586

Opp. Sharon Hotel, Herzliya Pituah

Lots of free parking.

Restaurant

EL-VAZIR

Mati and Itzik invite you to taste their beautiful selection of Salads, Stuffed Vegetables, Speciality Grills of Meat and Fish and drink their DRAUGHT BEER.

Open 11 a.m. to 2 a.m.

5 Nordau St., Herzliya, Tel. 052-78850

CHUDY FLOWERS

Herzliya

Send Your Flowers with Special Care

- ★ Deliveries in Israel and Worldwide
- ★ Your Wedding beautified without creative displays
- ★ Telephone orders welcomed
- ★ Arrangements for all occasions.

Ran Chudy, 23 Ben-Gurion St., Herzliya Tel. 052-543830.

HAMIFGASH

Exclusive Singles Club

Why be lonely? Join us for Dancing, Trips, Weekends and Other Social Activities. Personal advice and assistance on Matchmaking - for intelligent people only living in Israel and abroad.

For further details and appointment call 052-32664 after 7:30 p.m. 34/12 Borochof St., Ra'anana

Wolfson's Books

Religious English Books

Artscroll,

Feldheim,

Soncinio

Publications

18/3 Shwartz St.,

Ra'anana Tel. 052-449388

MARCUS

REAL ESTATE & TRUST

Member of International Real Estate Federation & Maldan in Israel.

Professional assistance in rentals, buying and selling villas, flats and plots. Commercial Centre, Kfar Shmaryahu, Tel. 052-70181

STEAK RANCH

Also spare ribs, chicken, fish and super burgers

- self service salad bar

Open 7 days a week 12 noon - 12 midnight

56 Ben-Gurion St., Herzliya 052-547140

For details call

The Jerusalem Post Advertising Dept., Tel Aviv 03-294222

Ask for Gerry Kriss, or Susan Berman

ECONOMIC FEATURES

On economic programme's first anniversary Stabilization works but comes under fire

By AVI TEMKIN
Post Economic Reporter

A year ago today, the cabinet adopted the most ambitious and comprehensive plan since the liberalization plan of 1977. Today the plan has proven itself a success. The inflation rate is down to 1.3 per cent a month, the external debt has been cut by over \$1 billion in seven months, foreign currency reserves are up and the government is running a budget surplus.

Paradoxically, the two politicians most linked with the plan, Shimon Peres and Yitzhak Moda'i, have little to rejoice about — at least in regard to their subsequent careers. The former is about to give up the premiership under the rotation agreement and the latter was unceremoniously ejected from the helm of the Finance Ministry. Among the figures involved in drafting the economic plan, it was Prof. Michael Bruno who derived the best reward. The 54-year-old economist was acclaimed architect of the stabilization and recently appointed governor of the Bank of Israel.

The question is whether Peres and Moda'i's successors are likely to commit themselves as seriously to the cause of the economic programme. Yitzhak Shamir and Moshe Nisim owe nothing to the programme; their future does not depend on its success. In fact, no one can say whether the next premier will not want to emulate Peres by leaving his own mark on the economy and choosing a different path.

The implementation of the stabilization plan should have put an end to the debate about the benefits and viability of using inflation as a tool of economic policy. Since the end of the Yom Kippur War most of the Israeli economic profession thought that what was necessary was to reduce consumer income and demand, to accommodate the shocks the economy received from the huge rise in fuel prices during the energy crises of 1974 and 1979.

Instead of reducing incomes by an open accord with the employers and the unions, the government tried to outsmart the public. Indeed, it tried everything: Constant devaluation of the currency, cuts in subsidies, higher tax rates, new and ingenious levies, price hikes, cuts in the rate of cost-of-living allowance. But time and time out, the government found itself outsmarted. The standard of living not only did not go down, but increased by leaps and bounds.

After 11 years, the government gave up. No more attempts at outsmarting the public, but an almost



Market watchers: Stabilization has persuaded investors to take their money out of their mattress.

open accord with the Histadrut and the private employers on wage erosion in return for stability. The government pledged to keep the rate of the shekel against the dollar fixed and imposed strict price controls. The Histadrut, while protesting the plan in public, privately agreed to have a temporary wage erosion.

Contrary to what opponents of the plan say, the exchange rate was not frozen. In relation to the European currencies the rate was never fixed, and, in fact, since July the shekel has been effectively devalued against such currencies. Indeed, that explains part of the price rises of the last few months.

Now the time has arrived for new decisions. The government, the Histadrut and the employers will have to decide whether they want to maintain stability or not. Within each of the three parties there are forces at play pressing for a prompt return to the old rules of the game, and they are gaining strength from day to day.

Within the government, the debate about the future of the economic plan and of stability is being held behind the scenes. Officials favouring a return to a system of devaluations are talking about the balance of payments and an approaching crisis. Those who give stability priority insist that the key to success of any economic measures lies in a minimal rate of inflation and the public's confidence in the government.

The argument for the first approach is based on economic developments due to take place in the next year. In 1987 the factors that enabled Israel to run a \$1 billion surplus in its current account will no longer exist. American aid to Israel will be cut from this year's level and the fuel prices may go up again. The pessimists at the Treasury are

already speaking of a yawning gap in the balance of payments in 1987 amounting to some \$1.7b.

The solution they offer is to cut the budget by \$500 million, return to a policy of devaluations relative to the dollar and resume the wage erosion. Since the last element of this plan is not likely to get the Histadrut's approval, it is better not to seek it from the outset. In the wage talks, now underway, those who favour this approach say it is better to oppose any nominal increase in wages, without agreeing on any level of real wages. Since the inflation rate is going to increase because of speeding the devaluation, real wages will go down. It is better not to agree by how much.

In principle there is no difference between this approach and that which the government attempted between 1974 and 1985. It has the same chances of success that it had in those years.

If the government opts for such strategy, both workers and employers would soon start looking for ways to protect themselves from the inroads of a sudden and unexpected devaluation or increase in inflation. In other words, workers and unions would demand wage increases that would act as a hedge against such development. Manufacturers would start increasing the prices of their output, since they expect the general price level to go up soon, as a result of government action. Any attempt by the government to prevent wage rises would fail, as it failed in the decade prior to the economic plan. The wage hikes would exert further pressure on prices.

Soon the wealthy would start looking for shelter against the rising inflation that is eroding the value of their assets. As in the past, the

rational attitude in such case would be to buy dollars or dollar-linked assets. This would put further pressure on the rate of exchange, and foreign currency would begin to flow abroad.

The answer, as the proponents of economic stability see it, is to offer the public a renewal of the agreement that has succeeded so well since 1985. The government can come to the wage talks with one simple question: How much are the unions prepared to pay for a promise of continued economic stability?

What this means is that the government should not seek to placate workers with a wage rise, as a sort of premium for the right to devalue the shekel (which, in any case, would effectively wipe out that pay hike by boosting prices). Instead, the government should offer them a constant and agreed real wage, which would entail a pledge not to use creeping inflation as a tool of economic policy.

Furthermore, as holders of black dollars have learned during the last few months, with the rate of exchange pegged to the dollar, and with no prospects of a devaluation, there is little point hanging on to the greenbacks. In the last months there has been a flow of dollars from under the mattresses into legitimate investments, totalling some \$500m. Continuing stability would convince the remaining holders of black dollars to get rid of them in favour of some more profitable asset.

Furthermore, continuing stability is bound to be reflected in a large increase in productivity. Manufacturers could now worry about production, rather than finances; workers could stay on the job, instead of running to the banks; managers could make rational decisions based on a reasonable certainty about the way the world is going to look.

Undoubtedly, part of these productivity gains would result in increased wages. But part of them would also increase Israel's competitive position in international markets. Former finance minister Yitzhak Moda'i said several times in his last weeks at the Treasury that this was the way to bring about a permanent improvement in the economy. After all, productivity gains that increase competitiveness are equivalent to a devaluation, without having the negative effects of the latter.

Thus, at the end of the first year of the economic plan, the lesson which it has taught must be remembered. Blood, sweat and tears are not always the solution to economic problems. Simple stability can often do the job.

WORLD NEWS IN BRIEF

Opec to meet again

BRIONI, Yugoslavia. — Opec ministers ended six days of talks yesterday without an agreement on how to reverse the decline in oil prices. But the ministers agreed to meet again July 28 in Geneva after consulting with their respective governments on new output quotas.

Delegates to the Organization of Petroleum Exporting Countries said the most that could be achieved would have been a majority agreement on the price and production levels to aim for in coming months. They had sought a unanimous accord, but Iran, Algeria, Libya and Gabon refused to take part in working towards setting overall output for the cartel at an average of 17.6 million barrels per day for 1986.

The plan was that by doing so, oil price could be raised from the current \$11.50 to \$17 to \$20 a barrel. The Algerian and Gabonese ministers left the conference before the end, while the Libyans remained

silent at the conference and Iran was openly hostile.

CYPRUS FINANCE MINISTER Christos Mavrellis met in Damascus yesterday with Syrian Prime Minister Abdul Rafiq al-Kassab to discuss economic cooperation between the two countries. In an arrival statement, Mavrellis said he would sign a new protocol with Syria for stepped-up economic cooperation.

JAPAN HAD A RECORD TRADE SURPLUS in May amounting to \$8.3 billion, its third one in a row. Imports valued in dollars declined by 6 per cent, while exports soared by 24.2 per cent in the month from a year earlier.

The yen yesterday closed at its highest level since May 16, finishing the day at 163.95 to the U.S. dollar. Heavy intervention by the Bank of Japan was not able to stem the yen's gain.

Analysis attributed the record trade surplus to the combined effects of lower petroleum prices, which cut the value of Japan's imports, and the increased dollar-value of Japan's exports due to the rising yen.

THE LIBYAN OPERATIONS of U.S. oil companies were officially wound up yesterday, under a directive issued by President Reagan last January ordering all Americans and U.S. companies out of the country.

The move is largely a bookkeeping operation since none of the five concerns involved have had Americans working in Libya for many years. They held minority stakes in oil companies or projects controlled by the Libyan government, which entitled them to sell a share of the oil produced by their holdings.

The companies have Washington's permission to continue to seek buyers for their Libyan assets, but they must conduct the negotiations outside of Libya and cannot be involved with the Libyan government in any way.

WHAT'S ON

Notices in this feature are charged at NIS 60 per line including VAT. Insertion every day of the month costs NIS 138 per line, including VAT, per month.

JERUSALEM

MUSEUMS
ISRAEL MUSEUM. Exhibitions: Joel Kantor, Photographs of Israel: One Hundred Works on Paper from Museum's collection. "A Man and His Land", Moshe Dayan Collection. Permanent Display of the Israel Art. From 1.7: Kats Hinson, ressure facing Jerusalem's walls. 0 News in Antiquities. 0 Netot Mizra — Ideas for light in Jewish ritual. 0 From the Depths of the Sea — ancient Carmel coast carapace (Rockefeller). 0 Indian Paintings from Polity collections. 0 Big and Small, relative sizes in life, art and children's world. 0 Jewels of Children's Literature. 0 Permanent exhibitions of archaeology, Judaica, ethnic art. Visiting Hours: 10-5. 11: Guided tour of Archaeological (Rockefeller) Museum (English); at 1.30: Guided tour of Shrine of the Book (English); at 3: Guided tour of Museum (English).

L.A. MAYER MEMORIAL INSTITUTE FOR ISLAMIC ART. Visiting hours: Sun-Thurs. 10-1; 3-5:30. Fri. closed. Sat. and holiday eve 10-1. 2 Hasmonean St. Tel. 02-6512912. Box No. 18.

EXHIBITIONS

JERUSALEM MAP HOUSE. Old City, 7 Beit El St., 288338, 423547. Roberts, Turner, etc.

Conducted Tours

HADASSAH — Hourly tours of the Chagel Windows at Kiryat Hadassah on the roof hour. * Information, reservations: 02-416333, 02-448271.

AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours — 8 Alkalai Street, Jerusalem. Tel. 02-685222. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 386171, 233231, 240523; Netanya 33744.

HEBREW UNIVERSITY
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 26, 24 and 16.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Square facing Jerusalem's walls. 0 News in Antiquities. 0 Netot Mizra — Ideas for light in Jewish ritual. 0 From the Depths of the Sea — ancient Carmel coast carapace (Rockefeller). 0 Indian Paintings from Polity collections. 0 Big and Small, relative sizes in life, art and children's world. 0 Jewels of Children's Literature. 0 Permanent exhibitions of archaeology, Judaica, ethnic art. Visiting Hours: 10-5. 11: Guided tour of Archaeological (Rockefeller) Museum (English); at 1.30: Guided tour of Shrine of the Book (English); at 3: Guided tour of Museum (English).

Information Centres

UJA INFORMATION CENTRE. 1 Ibn Gabirol St., Rehovot. Jerusalem. Features: TV news programmes from the U.S., computer A.P. News teletext, videotapes sponsored UJA (United Jewish Appeal) sponsored programmes in Israel. Open: Sunday-Thursday, 10-5 p.m. For more information call 02-246465, 02-240785.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Hadassah Ein Karem, 446350; Belsam, Salah Eldin, 272215. Shu'afat, Shu'afat Road, 810108; Dar Aldeewa, Herod's Gate, 282085. Tel Aviv: Hadassah, 10 Ibn Gabirol, 226686; Carmel, 266628; Netanya: Neot Shalom, Azorit Commercial Centre, 52484. Haifa: Mazor, 57 Hameginim, 524113.

DUTY HOSPITALS

Jerusalem: Hadassah Ein Karem (pediatrics, orthopedics, ophthalmology, ENT, etc.). Shu'afat (internal, obstetrics) Shear. Tel Aviv: Roshik (pediatrics), Ichilov (internal, surgery). Netanya: Laniado.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:
Ashdod 41333; Ashkelon 23333; Bat Yam 5511111; Beersheva 74767; Carmel 266628; Netanya 781111; Rehovot 451333; Rishon LeZion 842333; Sderot 35333; Tel Aviv 240111; Tiberias 90111.

Mobile Intensive Care Unit (MICU)

service in the area, around the clock.
"Ezer" — Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 2611112, Haifa 672222, Beersheva 418111, Netanya 35318.

Rape Crisis Centre (24 hours), for help call

Tel Aviv, 234818, Jerusalem — 246554, and Haifa 86751.

Police 100

Dial 100 in most parts of the country. In addition:
Tel Aviv 244444, Kiryat Shalom 44444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FLIGHTS

24-Hours Flight Information Service: Call 03-9712484 (multi-line). Arrivals Only (Taped Message) 03-351111 (20 lines).

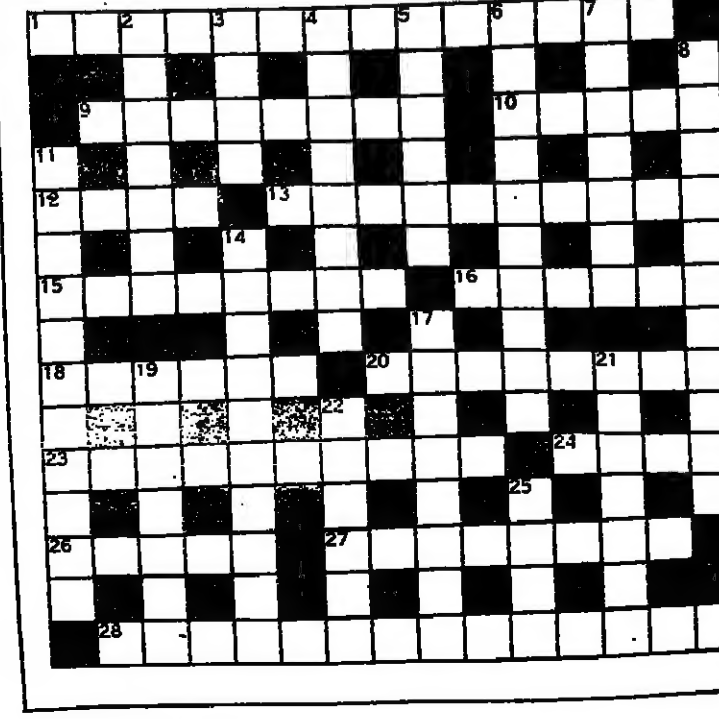
ONE-ON-ONE CROSSWORD

ACROSS

- Help from the state for those who are 28 (6, 8)
- Agreeable sort of sea plant (8)
- Nocturnal creature, one that can't fly from left to right (5)
- A branding instrument I ring the Navy about (4)
- Licentious festival of Australian derivation (10)
- All measured out, as good roads should be (8)
- Coward's theatrical spirit (6)
- Short measure one might get at a pub (6)
- Shakespeare's greatest character creation? (8)
- What one expects to hear at a burial ceremony? (5, 5)
- A cliff that could be a blot on the landscape (4)
- Many a South African's place of birth? (5)
- Said and done in the form of a complaint (8)
- Plight of the sleeping partner who can't live on his income? (6, 2, 6)

DOWN

- What umpires will do when they allow an appeal? (4, 3)
- An Islamic sailor taken round Burlington House (4)
- Unsuitable medium for washing out a sweater? (3-5)
- Outcry for feline rebellion? What a saucer! (6)
- Grim counsel to those who lack firmness? (10)
- A pattern that is hard to cut round (7)
- Large amphibian coming round for strenuous exertion (5, 6)
- Running the wrong way? (11)
- Suitable organisation for people who want to get into high society (6, 4)
- French authoress that is on leave in California (3, 5)
- Confer a favour on a Scottish seaport (7)
- Rural paradise in which a rotter bursts into song (7)
- A chore specially designed for a classical poet (6)
- Got upset over a feature of 22's wardrobe (4)



TODAY'S ENTERTAINMENT

RADIO

Voice of Music

- 6.02 Morning Melodies
7.07 Haydn: Trio; Mozart: Aria; Drouot: Variations on an Air by Paisiello
7.30 J.C. Bach: Flute Sonata; Prokofiev: Overture on Jewish Themes; Turin: Can to of Savilla; Paganini: Violin Concerto No. 1 (Accardo); Ravel: Bolero (London)
9.30 Bach: Cantata No. 140 (Harcourt); Piano Concerto No. 12, K.414; Mahler: Symphony No. 7 (Concertgebouw/Hatfield)
12.05 Pavel Haas: Suite for Flute and Piano (Eilon, Shilo); Brahms: Piano Quintet (Rubinstein, Guarnieri)
13.00 French: Variations Symphoniques (Hebl, Concertgebouw/Hatfield); Brahms: Violin Sonata, Op. 108 (Zukerman, Barenboim); Dvorak: Piano Quartet, Op. 87 (Rubinstein, Guarnieri); Tchaikovsky: Symphony No. 5 (London/Abbado)
15.00 From the Record Library
16.00 Mendelssohn: "Die Schone Melusine", overture; Beethoven: Piano Concerto No. 5 (R. Serkin, New York/Bernstein); Brahms: Symphony No. 1 (Chicago/Lewis); Prokofiev: Excerpts from "The Stone Flower"
18.30 Boaz Sharon, piano — works by Bach, Beethoven, Schumann, Ravel, Ben-Haim and Liszt
20.05 Brahms: Haydn Variations (New York)

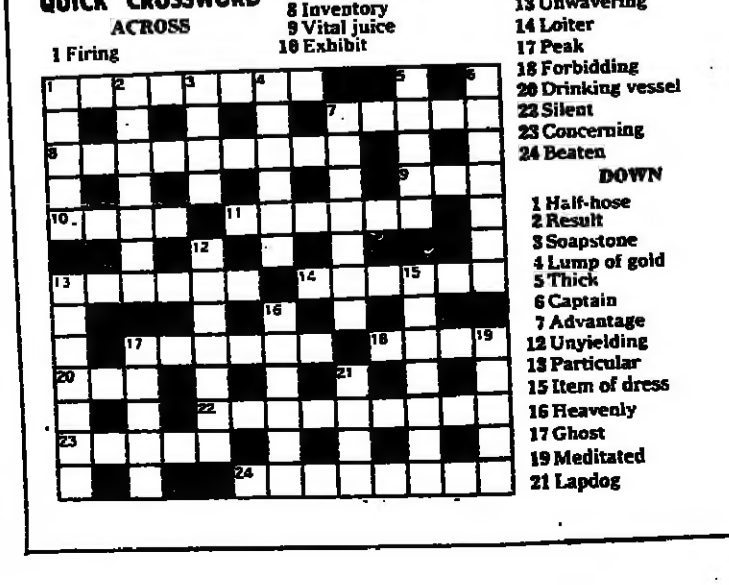
First Programme

- 6.02 Programmes for Olim
7.30 Favourite Old Songs
8.08 Concert — with Benny Hendei
9.05 Hebrew songs
9.30 Encounter — live family magazine
10.30 Programme for Easy Hebrew
11.10 Hebrew songs
11.30 Education for all
12.05 Oriental Songs
13.00 News in English
13.30 News in French
14.05 Children's programmes
15.25 Education for all
15.55 Notes on a New Book
16.05 A Political Book
17.30 Everyman's University
18.05 Bible Reading
18.30 Economics Hour
19.30 Talmud Lesson
19.30 Programmes for Olim
22.05 Two by Two

GIVE SOLDIERS LIFTS

QUICK CROSSWORD

- ACROSS
1 Firing
7 Discontinuity
8 Inventive
9 Vital juice
10 Exhibit



DOWN

- 1 Half-hose
2 Result
3 Soapstone
4 Lump of gold
5 Thick
6 Captain
7 Advantage
8 Unyielding
9 Particular
10 Item of dress
11 Heavily
17 Ghastly
19 Meditated
21 Lapdog

TELEVISION

EDUCATIONAL

- 8.00 Koor FR 15:15 Pretty Buttery 9.40 El Cid (part 1) 10.05 Just William (part 1) 10.30 Dine Straits 14.00 Keep Fit 14.15 Beauty and the Beast 16.18 New One magazine
16.00 Open Line — news and music
16.05 Midway — news commentary, music
16.08 Mosaic — with Gold Coast
16.08 Mosaic Moments
16.08 Made in Israel — Hebrew song requests
17.10 Economics Magazine
18.00 Overdrive — humour and satire (repeat)
18.45 Today in Sport
19.05 Today — radio newscast
19.58 New World — environment magazine
20.05 Cantorial Requests
22.05 Once More
23.05 Quizzes

ARMY

- 6.05 University on the Air
6.30 Open Your Eyes — songs, information
7.07 "707" — with Alex Anzi
8.05 Good Morning Israel
8.05 The Morning with Eli Yisraeli
10.05 Coffee Break
11.05 Right Now — with Rafi Reshet
11.05 Daily Hit Parade
11.05 Daily Meeting — with Orly Yaniv
16.05 Four in the Afternoon
17.00 Evening News
17.30 Sports
18.05 Economics Hour
18.40 Songs of IDF Troops
19.05 Quizzes
20.05 Music — rock
21.00 Mabat — TV newscast
21.30 University on the Air (repeat)
22.05 Night, Night — with Yoav Kutner
00.05 Night Birds — songs, chat

Second Programme

- 6.12 Gymnastics
6.30 Editorial Review
6.53 Green Light — driver's corner
7.00 This Morning — news magazine
8.05 Pans in Sundae — children's programme
9.05 House Call — with Rivka Michaeli
10.05 All Shades of the Network — morning magazine
12.10 Open Line — news and music
13.00 Midway — news commentary, music
14.08 Mosaic — with Gold Coast
16.08 Mosaic Moments
16.08 Made in Israel — Hebrew song requests
17.10 Economics Magazine
18.00 Overdrive — humour and satire (repeat)
18.45 Today in Sport
19.05 Today — radio newscast
19.58 New World — environment magazine
20.05 Cantorial Requests
22.05 Once More
23.05 Quizzes

ARMY

- 6.05 University on the Air
6.30 Open Your Eyes — songs, information
7.07 "707" — with Alex Anzi
8.05 Good Morning Israel
8.05 The Morning with Eli Yisraeli
10.05 Coffee Break
11.05 Right Now — with Rafi Reshet
11.05 Daily Hit Parade
11.05 Daily Meeting — with Orly Yaniv
16.05 Four in the Afternoon
17.00 Evening News
17.30 Sports
18.05 Economics Hour
18.40 Songs of IDF Troops
19.05 Quizzes
20.05 Music — rock
21.00 Mabat — TV newscast
21.30 University on the Air (repeat)
22.05 Night, Night — with Yoav Kutner
00.05 Night Birds — songs, chat

20.30 Kolbot

- 21.00 Mabat News
21.40 Second Look — focus on matters of moment
22.20 Megaron P.L. — action series, starring Tom and John Millman
23.10 Music — Schubert: Sonnets, Op. 137, No. 2 (Zukerman, Netanel)
23.30 News
23.50 News (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic
20.30 Amman 21.10 The Equalizer
21.30 News (unofficial)
13.30 Animals, Animals, Animals 14.00 News 14.30 Shape-Up 15.00 Afternoon News 17.30 Muppets 18.00 Rap-Rock Galadiah 18.00 News 20.00 Rap-Rock 21.00 Simon and Simon 22.00 Alivoli 23.00 70 Club

20.30 Kolbot

- 21.00 Mabat News
21.40 Second Look — focus on matters of moment
22.20 Megaron P.L. — action series, starring Tom and John Millman
23.10 Music — Schubert: Sonnets, Op. 137, No. 2 (Zukerman, Netanel)
23.30 News
23.50 News (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic
20.30 Amman 21.10 The Equalizer
21.30 News (unofficial)
13.30 Animals, Animals, Animals 14.00 News 14.30 Shape-Up 15.00 Afternoon News 17.30 Muppets 18.00 Rap-Rock Galadiah 18.00 News 20.00 Rap-Rock 21.00 Simon and Simon 22.00 Alivoli 23.00 70 Club

20.30 Kolbot

- 21.00 Mabat News
21.40 Second Look — focus on matters of moment
22.20 Megaron P.L. — action series, starring Tom and John Millman
23.10 Music — Schubert: Sonnets, Op. 137, No. 2 (Zukerman, Netanel)
23.30 News
23.50 News (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic
20.30 Amman 21.10 The Equalizer
21.30 News (unofficial)
13.30 Animals, Animals, Animals 14.00 News 14.30 Shape-Up 15.00 Afternoon News 17.30 Muppets 18.00 Rap-Rock Galadiah 18.00 News 20.00 Rap-Rock 21.00 Simon and Simon 22.00 Alivoli 23.00 70 Club

20.30 Kolbot

- 21.00 Mabat News
21.40 Second Look — focus on matters of moment
22.20 Megaron P.L. — action series, starring Tom and John Millman
23.10 Music — Schubert: Sonnets, Op. 137, No. 2 (Zukerman, Netanel)
23.30 News
23.50 News (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic
20.30 Amman 21.10 The Equalizer
21.30 News (unofficial)
13.30 Animals, Animals, Animals 14.00 News 14.30 Shape-Up 15.00 Afternoon News 17.30 Muppets 18.00 Rap-Rock Galadiah 18.00 News 20.00 Rap-Rock 21.00 Simon and Simon 22.00 Alivoli 23.00 70 Club

MARKET PLACE

WILLIAM KEEGAN

The coming debt explosion

Is there a whiff of an international financial crisis in the air? I ask this simply because I have been amazed at how often the topic has been raised in private recently by bankers and experienced monetary officials.

The obvious focal point at present is Mexico, where the differing reports of whether or not the U.S. government will be soft on it and whether the Mexican government is prepared to make more sacrifices have a familiar ring to any Briton: they bring back memories of how the Labour government nearly fell in 1976. The government insisted it had done enough to satisfy its international creditors, but it did not in the end get money from the International Monetary Fund (IMF) until it had taken further austerity measures.

In those days, there were no threats to the international banking system. In the past few years, however, there have been periodic alarms, and although in the end, a series of lending packages have been patched together, these are clearly becoming more and more difficult. The possibilities of repayment are stretched further and further into the future.

The most disturbing aspect of the present international financial scenario is the way the various "necessary conditions" for avoiding some kind of collapse obstinately refuse to come together. The basic analysis, according to top Treasury ministers and central and private bankers, is that real economic growth is the key to avoiding a debt explosion and a collapse of confidence in the international banking system, although there are differences about how to achieve the goal. And despite all the brave talk emanating from the recent Tokyo economic summit about more international economic cooperation, those differences over how to spur growth still persist. Indeed, the only real achievement since then has been the devaluation of the U.S. dollar and the rise of the Japanese yen, which have brought some sense and fairness back into the international trading system.

While the U.S. government and Federal Reserve Board Governor Paul Volcker can be heard muttering every day urging Western Europe and Japan to take over the reins of economic expansion, there is no serious indication that they are willing to do so.

This means, according to recent forecasts from the Organization for Economic Cooperation and Development, that economic growth will cling along at 3 per cent or so. That is not enough to make appreciable inroads into the unemployment problem, and keeps industrial activity below its productive potential in many key countries.

One result of this sluggishness is that there has been no net increase in imports to Western Europe from the big Latin American debtor countries in the past four years. Yet it is precisely by selling more goods and commodities to the advanced industrial nations that the debtors are supposed to earn the foreign exchange to repay their loans.

In addition to a more sensible exchange rate regime and more growth oriented policies, the other great requirement for avoiding a financial crisis was meant to be the so-called Baker Plan, under which the official lending agencies such as the World Bank, together with commercial banks, offer the big debtor countries enough new finance to keep their shows on the road.

Some nine months have elapsed since this urgent plan was unveiled at last year's IMF meeting in South Korea, but nothing has happened. As one commercial banker said to me recently: "We are in enough trouble already from previous lending. The position frankly is that we are not prepared to lead to those who really need the money."

In international banking circles the recent departure of the Mexican Finance Minister Silva Herzog is being regarded hopefully as a political move by the Mexican president to show his domestic audience that he is being tough with the international organizations. It is also being suggested that the White House has told the IMF to go easy on Mexico with their conditions.

But unless the general world economic climate improves, any deal with Mexico is going to have the durability of Sellotape. Our leaders are still not treating the international economic problem with the urgency and far-sightedness it merits. No wonder the whiff of financial collapse is once more in the air.

(London Observer Service)

VACATION. - About one million schoolchildren - 245,000 in kindergarten and 755,000 in elementary grades - finish school this afternoon and start their long summer vacation.

Histadrut, employers resuming wage talks

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - The Histadrut and the public-sector employers resume talks tomorrow aimed at a national wage agreement, while the labour federation of private-sector employers return to the bargaining table on Thursday.

No progress been made on either front since the first round of wage talks ended last week with both the employers and the union refusing to budge from their opening positions.

The Histadrut is demanding wage hikes that would compensate for the erosion in wages of the past year. The union is also demanding that the week work be cut to 40 from 47 hours and that the employers increase their payments to employee pension funds. The employers in both the public and private sectors are categorically opposed to a wage hike.

Bank of Israel Governor Michael

Bruno, in a speech yesterday reviewing the first year of the economic stabilization programme, said any wage hikes would result in price increases and a return to higher inflation.

In a related development, the Likud faction of the Histadrut split this week when Liberal members walked out of the Likud's Tchelet Lavan faction and said they were forming their own bloc. The split was formally announced Sunday during the Hevrat Ha'ovdim Council meeting in Shefayim.

The split, led by Liberal Workers' Union Chairman Zvi Renner, came in response to the Likud faction's decision to expel him and Yissel Elinar, another Liberal leader.

The Liberal faction, whose members constitute 36 per cent of the Likud block in the Histadrut, are demanding 8.5 per cent of the key positions in the labour federation and its affiliated institutions.

BUSINESS BRIEFS

Prices of baked goods increased

The prices of baked goods are going up between 5 and 12 per cent, starting this morning, the Ministry of Industry and Trade announced yesterday. In addition, the prices of cold drinks and laundry powders are being boosted 5 per cent.

A spokesman for the ministry said the increases would add only 1/10th of one per cent to the consumer price index.

TAX REVENUES increased some \$200 million during 1985, because of the lower rate of inflation, and should continue to increase this year if the price index remains stable, Avi Lavon, senior economist at the State Revenue Administration, said yesterday.

Lavon said the slower rate of inflation had increased the value of the business sector's contribution. During the days of high inflation, he explained, the lag time between when the tax was calculated and the time it was paid caused a reduction in the real value of the taxes paid.

He said that in 1985 consumers saw their aggregate tax bill drop by \$140m., mainly because without the high inflation rate and frequent cost-of-living wage hikes, taxpayers are no longer bumped into higher tax brackets so quickly.

PROJECTS TOTALLING \$25 MILLION were approved by the Ministry of Industry and Trade's Investments Centre at a meeting this week. The money will help fund 14 industrial projects.

The plants will produce electronics, textiles, carpets and construction materials among other things. Yoram Belisovsky, director of the centre and acting director-general of the ministry, said the factories would create about 200 jobs and export \$37m. in goods annually.

NURSES

(Continued from Page One)

The two officials who resigned, attorney Dov Frankel, chairman of the MDA executive committee, and Brig. Gen. (res) Amizur Kir, the director-general, said that the only way to solve the impasse was to refer the problem to agreed arbitration, a solution which the workers had rejected.

Patients who need to be taken in ambulances to the strike-bound hospitals will feel the effects of MDA sanctions. Ambulance drivers and paramedics, striking for higher wages, are operating only one regular and one intensive-care ambulance in each station. Today, or at latest by tomorrow, when their hunger-strike enters its third day, they will no longer be fit to operate any ambulances.

Growing increasingly frustrated by the protracted strike, the nurses are contemplating even more extreme steps, including abandoning intensive care and emergency wards. Dalia Ohana, a member of the action committee, told *The Post* last night: "The hospital nurses are demanding that we drastically escalate the strike."

Six thousand clinic and community health nurses, following in the footsteps of their counterparts in the hospitals, announced yesterday that they were establishing a "Community-Nurses Division" in the Histadrut to represent them. They announced that there would be slowdowns in all clinics in the country today in protest against employers who were "ignoring the professional problems." They demanded that negotiations with them start within the next few days, or they would take more drastic action.

MERCEDES 190 E

1985, sliding sun-roof, original air-conditioner, passport to passport.
Tel. 03-223105, 238618.

Tel Aviv Export Co. Requires
English Correspondent Typist

(telex an asset)
Office hours: 8 a.m. - 2 p.m.; Friday: 8 a.m. - 12 noon.
Please call. Tel. 03-622228/9.



Karl-Helm Narjes, vice president of the European Commission, shakes hands yesterday with Paul Channon, Britain's secretary of state for trade and industry, after the two signed the Eureka memorandum of understanding. The Eureka programme aims to harness the research of skills of 18 European countries and challenge U.S. and Japanese dominance of high-technology industry. (Reuters)

Egypt struggling under \$36 billion debt burden

CAIRO (Reuters). - Egypt, shackled by a shortage of foreign exchange and a deepening economic crisis, has fallen almost \$1 billion behind in repaying its foreign debt, banking and diplomatic sources say.

The delays affect a quarter of the \$36b. the government owes abroad, they said. One source added that Egypt was \$500 million behind on repayments of military debt to the U.S. totalling about \$5.

The other arrears are mainly on credits made of guaranteed by European governments to finance arms and other exports.

Foreign debt servicing swallows 40 per cent of Egypt's current earnings because the world price of its major export, oil, has declined by more than half this year.

The International Monetary Fund (IMF) has estimated Egypt's debt-service obligations at \$3.4b. in the fiscal year ended yesterday, and \$3.7b. in the current year.

Egyptian officials have just won a U.S. promise to free \$110m. in aid, but Washington balked at further concessions sought to ease the debt burden. Nonetheless, most bankers believe a general rescheduling of the debt is inevitable.

However, one banker demurred: "There is not much more room for Egypt to reschedule unilaterally and they can probably still muddle along without a comprehensive rescheduling."

Economic experts say the government's foreign exchange burden can be cut by transferring responsibility for imports such as some foods and capital goods to the private sector. But they agree there will be no solution to Egypt's economic problems while the question of subsidies remains untackled. The IMF last year estimated that 7 per cent of Egypt's gross national product went to direct government subsidies, particularly food.

President Hosni Mubarak's government acknowledges that too many resources are devoted to the subsidies but apparently fears that dismantling the system could provoke social unrest. Widespread riots

flared in 1977 when Anwar Sadat's government lifted food subsidies, and had to reinstate them.

The IMF says the subsidies cause huge distortions in the economy, encouraging over-consumption in a nation which was once self-sufficient but now imports half its food needs.

The subsidies also swell the budget deficit, with the government effectively printing money by borrowing from state banks. Critics say this raises inflation, now around 20 per cent, speeds the free-market devaluation of the Egyptian pound and hits the poor, who were meant to be protected by the subsidies.

Bankers and diplomats agree that Egypt's economic problems have been aggravated by falling oil prices and a modest drop in tourism income because of fears of terrorism.

The latest projections by one expert show exports dropping to \$3.4b. in fiscal 1985-86 from \$3.9b. in 1984-85, with oil's share falling to \$2.1b. from 2.8b. Imports are expected to decline to \$11.2b. from \$11.9b. to reduce the trade deficit. Tourism receipts are put at \$800m, down from \$1b.

But a key item - remittances from workers abroad - remained constant at about \$3.6b. in 1984-85.

Bankers say remittances may actually swell this year as expatriate workers return for the last time from the Persian Gulf, where local economies have been hit by the plunging oil revenues. But after that the level of remittances is likely to drop sharply.

Furthermore, dwindling confidence in the Egyptian pound, which fell 35 per cent against the dollar last year, will further reduce remittances. Eight billion dollars were held in foreign currency in Egypt's banks in mid-1985. But another \$25b. to \$45b. were held abroad by wealthy Egyptians.

RED TAPE. - Bureaucrats obsessed with paperwork are frustrating the Kremlin's plans to revitalize Soviet economic life, *Pravda* said yesterday in an editorial.

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS June 30, 1986

SEKEL INTEREST-RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

| | Last Updated | 7-12 Mths | 13-18 Mths | 19-24 Mths | 25-30 Mths |
|-------------|--------------|-----------|------------|------------|------------|
| LEUMI | 30.6 | 8-15.75% | 8-16.7% | 8-16.5% | 8-16.5% |
| APOLIM | 24.6 | 8-15.75% | 8-16.7% | 8-16.5% | 8-16.5% |
| DISCOUNT | 30.6 | 8-15.75% | 8-16.7% | 8-16.5% | 8-16.5% |
| MIZRAHI | 28.5 | 8-16% | 8-16.7% | 8-16.5% | 8-16.5% |
| FIRST INT'L | 26.6 | 8-16% | 8-16.7% | 8-16.5% | 8-16.5% |

Rates vary according to size of deposit.
(Tapes: demand deposit paying daily interest.
Tapes: fixed-term deposit available from 7 to 59 days.)

PATAH - FOREIGN CURRENCY DEPOSIT RATES (as of June 30)

| | 3-MONTHS | 6-MONTHS | 12-MONTHS |
|-----|----------|----------|-----------|
| USD | 6.37% | 6.37% | 6.37% |
| SGD | 8.76% | 8.62% | 8.62% |
| DMK | 3.97% | 3.97% | 4.12% |
| SFR | 4.97% | 4.97% | 5.25% |
| YEN | 3.12% | 3.12% | 3.12% |

Rates vary according to size of deposit and are subject to change.

SEKEL FOREIGN EXCHANGE RATES

| | CHEQUES AND TRANSFERS | BANKNOTES | Rep. Rates |
|-----------------|-----------------------|-----------|------------|
| U.S. Dollar | 1.4907/1.5093 | 1.47 | 1.4981 |
| U.K. Sterling | 2.2530/2.2115 | 2.25 | 2.2521 |
| Deutsche Mark | 0.6796/0.6870 | 0.67 | 0.6809 |
| French Franc | 0.2127/0.2163 | 0.21 | 0.2135 |
| Dutch Florin | 0.0623/0.0608 | 0.06 | 0.0604 |
| Swiss Franc | 0.8309/0.8413 | 0.82 | 0.8351 |
| Swedish Krona | 0.2350/0.2418 | 0.21 | 0.2101 |
| Norwegian Krone | 0.1385/0.1410 | 0.12 | 0.1194 |
| Denmark Krone | 0.1826/0.1849 | 0.18 | 0.1836 |
| Finnish Mark | 0.2314/0.2361 | 0.23 | 0.2320 |
| Canada Dollar | 1.0774/1.0958 | 1.06 | 1.0737 |
| Austrian Dollar | 1.0077/1.0233 | 0.98 | 1.0126 |
| S. Africa Rand | 0.6015/0.6090 | 0.47 | 0.5043 |
| Belgian Franc | 0.3279/0.3320 | 0.32 | 0.3329 |
| Austrian Sch. | 0.9836/0.9756 | 0.96 | 0.9683 |
| Italian Lire | 0.9879/1.0002 | 0.97 | 1.0013 |
| Japanese Yen | 0.0057/0.0068 | 0.005 | 0.0059 |
| Jordanian Dinar | — | — | — |
| Egyptian Pound | — | 0.79 | 0.84 |

SUPPLIED BY BANK LEUMI

EUROPEAN FINANCIAL MARKETS

PRECIOUS METALS

GOLD: LONDON A.M. FIX 345.50 P.M. FIX 346.75
PARIS NOON FIX 345.56 ZURICH P.M. 347.55
SILVER: LONDON FIX 504.50
PLATINUM: LONDON P.M. 432.75
PALLADIUM: LONDON P.M. 111.00

FOREIGN CURRENCY CROSS RATES (London 15.30GMT) Forward Rates

| | SPOT | 2 MTHS | 3 MTHS | 6 MTHS |
|------------------------|------------|-----------|-----------|-----------|
| DEUTSCHE MARK | 2.1955/56 | 91/86 | 130/125 | 237/227 |
| POUND STERLING | 1.5340/50 | 74/71 | 104/101 | 200/195 |
| SWISS FRANC | 1.7690/85 | 67/62 | 77/72 | 153/153 |
| JAPANESE YEN | 163.50/70 | 63/61 | 94/92 | 189/184 |
| FRENCH FRANC | 7.0060/00 | 30/46 | 45/65 | 90/120 |
| ITALIAN LIRA | 1808.50/25 | 1225/1325 | 1880/1950 | 3550/3700 |
| DUTCH GILDER | 2.4730/40 | 29/25 | 43/38 | 117/110 |
| BELGIAN FRANC | 44.300/20 | 0.52 | 13.5 | 4/9 |
| DANISH KRONER | 8.1475/25 | 160/110 | 276/325 | 700/600 |
| S.AFRICAN RAND | 0.4023/33 | 36/31 | 46/43 | 80/70 |
| EUROPEAN CURRENCY UNIT | 0.8775/79 | 9/5 | 13/9 | 22/18 |
| FINNISH MARK | 5.1070/90 | 300/340 | 470/520 | 910/1010 |
| AUSTRALIAN DOLLAR | 0.5745/52 | 88/83 | 123/118 | 213/207 |
| NORWEGIAN KRONER | 7.4800/50 | 923/940 | 1359/1375 | 2690/2730 |

Formula for determining forward rates:
high/low (eg. 220/210) - deduct from spot price.
low/high (eg. 210/220) - add to spot price.

U.S. MONEY RATES

Prime 8.50%; Broker Loan 7.75% - 8.00%; NY Euro 3 months 6 1/4% - 1 1/4%; Fed Funds late 7 1/4%

NEW YORK FOREIGN EXCHANGE

| | DMK | SPR | STG | YEN | CAN |
|------------------|-----------|-----------|-----------|-----------|-----------|
| PREVIOUS CLOSING | 2.2010/20 | 1.8010/20 | 1.5315/25 | 165.30/40 | 1.3570/75 |
| OPENING | 2.1955/55 | 1.7945/55 | 1.5345/55 | 163.55/75 | 1.3580/85 |
| LATEST | 2.1950/10 | 1.7915/50 | 1.5400/10 | 163.55/75 | 1.3584/83 |

Comment

The dollar was poised to test support at 2.19 marks as bearish sentiment continued to spread. A larger U.S. trade deficit in May, a record Japanese trade surplus, a sharp drop in U.S. home sales and bond-market speculation of a U.S. discount rate cut all combined to overcome fears of dollar-buying intervention.

ISRAELI STOCKS

TRADED IN NEW YORK:

NYSE and ASE

| | Last | Prev. Close | High | Low | Vol (100s) |
|---------------|--------|-------------|--------|--------|------------|
| Alliance | 2 1/4 | 2 1/4 | 2 1/4 | 2 1/4 | 3 |
| Am. Int. Rep. | 13 | 13 1/4 | 13 1/4 | 13 | 3 |
| Amrad | 2 1/4 | 2 1/4 | 2 1/4 | 2 1/4 | 11 |
| Electrol | 2 | 2 | 2 | 2 | 16 |
| Lev. Lavud | 13 1/4 | 13 1/4 | 13 1/4 | 13 1/4 | 17 |
| Laser Inds | 16 1/4 | 17 1/4 | 17 1/4 | 16 1/4 | 141 |

Over the counter

| | Last | bid | ask | Interpharm | Last | bid | ask |
|------------|--------|--------|--------|------------|-------|-------|-------|
| Bank Leumi | 21 1/4 | 21 1/4 | 21 1/4 | Optrotech | 8 1/4 | 8 1/4 | 8 1/4 |
| Elbit | 8 1/4 | 8 1/4 | 8 1/4 | Rada | 5 1/4 | 5 1/4 | 5 1/4 |
| ECI Tel. | 3 1/4 | 3 1/4 | 3 1/4 | Scitech | 5 1/4 | 5 1/4 | 5 1/4 |
| Eiron | 5 1/4 | 5 1/4 | 5 1/4 | Tero-vit | 3 1/4 | 3 1/4 | 3 1/4 |
| Fibronics | 9 1/4 | 9 1/4 | 9 1/4 | Tevapharm | 3 1/4 | 3 1/4 | 3 1/4 |
| IDB Bank | 50 | 54 | 54 | SPI | 3 1/4 | 3 1/4 | 3 1/4 |
| IS | 4 1/4 | 4 1/4 | 4 1/4 | | | | |

NEW YORK FINANCIAL MARKETS

WALL STREET Closing Prices

| | Dow Jones Indices | NYSE Highest Volume |
|---------------|-------------------|--------------------------|
| IND | 1,893.00 + 7.74 | BELLSOUTH 62 1/4 + 1 1/4 |
| TRANS | 781.38 + 3.88 | SOU CALIF 31 1/2 unch |
| UTILS | 200.15 + 1.37 | SANDERS AS 53 1/2 + 3/4 |
| | | PANHANDLE PI 27 + 1/4 |
| NYSE COMP | 143.84 + 0.65 | ILL POWER 27 + 1/4 |
| NASD COMP | 405.37 + 1.84 | SCHLUMBER 24 1/2 + 1/4 |
| S-P 100 INDEX | 237.12 + 0.55 | PHIL ELE 20 1/2 + 1/4 |
| S-P COMPOSITE | 250.75 + 1.15 | P SVC IND 12 1/2 + 1/4 |
| AMEX INDEX | 282.82 + 0.69 | ITT CORP 54 1/2 + 1/4 |

| | Statistics |
|--------|--|
| NYSE | VOL 130,614,960 STOCKS UP 981 DOWN 593 |
| NASDAQ | VOL 122,451,800 STOCKS UP 1084 DOWN 1007 |

Comment

Stocks retreated from the record levels of earlier in the day to stand slightly higher, as stymieing oil prices began to have an effect on oil stocks. But stronger bonds, end-quarter fund buying and merger speculation continued to underpin the market, traders said.

The Dow Jones Industrial Average was up five points to 1893, after topping the 1900 level in early afternoon, three oil stocks in the index were lower, with the oil future market nose-diving after Opec's meeting failed to bring an accord.

Overseas financial data provided by REUTERS

Monitor exclusively The Jerusalem Post.

TRAVEL COMPANY IN TEL AVIV

Requires:

TELEX OPERATOR

- Experience in telex operating
- Shift work: 7:30 a.m. - 1:30 p.m. or 1:30 p.m. - 6:30 p.m.

Please apply to the Personnel Department,
Tel. 03-650862, ext. 51.

505 من الأصل

THE JERUSALEM POST

Ari Rath
Editor and
Managing Director

Erwin Frenkel
Editor

Eliezer Ben-Zion
Shalom Weiss
Avraham Levin
Yosef Haim
Ray Lewis

David Landau
David Gross
Yasov Reuel
Shalom Cohen
Hanan Shet

Founded in 1932 by GERSHON AGRON, who was Editor until 1955. Editor 1955-1974
TED LURIE Editor 1974-1975 LEA BEN DOR. EDITORIAL OFFICES AND
ADMINISTRATION The Jerusalem Post Building, Rehovot, Jerusalem P.O. Box 81
P.O. Box 81 Telephone 551616, Telex 26121, TEL AVIV 11 Rehovot, P.O. Box 20126
Tel Aviv Telephone 294222, HAIFA 16 Rehovot, P.O. Box 4810
P.O. Box 4810 Telephone 645444. Published daily, except Saturday, in Jerusalem, Israel by The
Jerusalem Post Ltd. Printed by The Jerusalem Post Press in Jerusalem. Registered at the
G.P.O. The Jerusalem Post 1986. Reproduction permitted only by arrangement.

A foul game

PRIME MINISTER Shimon Peres in the Knesset yesterday reaped the full blackguard ingratitude of which his Likud coalition partner is capable.

For weeks Mr. Peres has withstood pressures of all kinds, including from within his own party, for an investigation of the Shin Bet affair that would inevitably involve the role played by Mr. Shamir when he was prime minister.

Mr. Peres withstood that pressure because he feared the impact it could have on the security service, and, therefore, the nation's security. But he feared as well the inevitable political disruption that would be caused by any step that could embarrass or implicate Mr. Shamir. In his own party he was accused of making the rotation of power in October his highest priority.

He believed, wrongly as it turns out, that the presidential pardon of the head of the Shin Bet and three subordinates would bring the affair to an end. Instead, it heightened criticism and led as well to accusations that Peres was not only protecting the security service, not only protecting Shamir and the rotation but his own skin as well, since as prime minister he too may have had a role in the Shin Bet cover up.

At that point, Mr. Peres, whom Mr. Shamir apparently did not even inform about the cover-up when he left office, felt that he must publicly declare his willingness to submit to any inquiry of "the political level." Unlike Mr. Shamir, he would not shield himself from scrutiny.

Instead of respecting Mr. Peres's manful attempts - however misguided they may have been - to quench the fires, to safeguard the coalition and the rotation and Mr. Shamir's skin, the vice premier and his cohorts chose to play dirty and hit him under the belt by claiming that Mr. Peres's only motive is to prevent the rotation.

They, who in order to protect Mr. Shamir from inquiry, seek to turn the Shin Bet affair into a party issue, do so by accusing Mr. Peres of having their motives.

No one ever suspected the Likud, after Mr. Begin, of being gentlemen. But even politics and even Israeli politics must place some limits on knavery.

How it can be possible for Mr. Peres and his party to contemplate continuing to sit at the same cabinet table, after yesterday's Likud Knesset performance, is a mystery.

Fuelling a strike

THE HOSPITAL nurses' strike, now eight days old, has had some unfortunate side effects, too. In one of them, the Treasury's director of wage and labour agreements, Hillel Dudai, has developed a particularly vicious variety of the foot-in-the-mouth disease.

In what purported to be a contribution to the settlement of the strike, Mr. Dudai warned the nurses against treating the government as their puppet. The government, he said, would not alter its policy as a result of the strike - meaning, it would not make any wage deals outside the framework of the wage negotiations in the public sector, started last week. And in a final flourish Mr. Dudai suggested that the government could not care less whether the nurses did or did not return to the hospitals.

"Most hospitals are beginning to get along without them anyway," said the wage and labour agreements director with sweet contemptuousness.

The hospital nurses do not have all justice on their side, and they need not expect the moon at a time of belt-tightening. But if they were now to pick up Mr. Dudai's gauntlet and desert all departments in all hospitals, it is not on them that the blame would fall.

Admittedly, Mr. Dudai has reason to be satisfied. With over half the patients in the country's hospitals discharged, with family members and volunteers and doctors pitching in, and with some nurses still at their posts, the situation is not nearly as disastrous as was originally feared it would become. But this stop-gap arrangement cannot last - unless Mr. Dudai is planning to make it permanent.

He could make it permanent by closing down over half of the hospitals, or at least half of the hospital departments, by reducing hospital services by half, and by requiring patients to be attended round the clock by members of their families. That would certainly save the Treasury a great deal of money, and it would reduce demand for professional nursing services to a point where qualified nurses would fight for the job at almost any salary.

Nurses' workload, at present murderous, and one of their main grievances, would of course be significantly lightened.

But if that is not the plan, Mr. Dudai might do better to check his rhetorical impulses and treat the nurses' complaints with the seriousness and respect they deserve. Perhaps, however, what he says no longer matters very much: the nurses, sorely offended by the brusque dismissal of their special case as nothing special, will no longer talk to government officials but only to the ministers directly concerned, notably the minister of finance.

Ministers may have grander issues of state on their minds this week, and so far there have been no reports of deaths for lack of nursing care in hospitals. But to gamble on this going on is nothing less than criminal.

SHALOM

(Continued from Page One)
ists, and they were killed in accordance with that order.

The Zamir letter concluded: "In accordance with instructions by the Shin Bet chief and with the active participation of three Shin Bet men were subpoenaed to give false testimony to the Zorea and Blattman commissions of inquiry and to the disciplinary court that dealt with the five Shin Bet men. These facts give rise to the suspicion of serious criminal activity. I am asking you to order an investigation."

First to speak in the packed courtroom following the preliminary debates was Avraham Gal, representing the Citizens Rights Movement. Gal referred to Shalom's request for pardon in which he said that he had acted on orders from someone above him. "This is a blow to the rules of natural justice. The considerations adopted in the recommendation for a pardon are totally lacking in reasonableness. Since the 'Someone' who gave the order was also the person who recommended the pardon," Gal said.

Attorney-General Yosef Harish defended Herzog's decision to pardon the four Shin Bet men. Claiming that the president was immune to

judicial review when acting within the sphere of his jurisdiction, Harish told the court: "The president of the state should be above common criticism. He is not like the attorney-general who can be criticized severely by all sides."

After nearly two hours of debate on whether the president could respond to the petitions placed before the court, Justice Meir Shamgar, his deputy Justice Miriam Ben-Porat and Justice Aharon Barak ruled that Herzog's name be struck from the list of respondents. Discussion of the reasons for the bench's decision was postponed to a later date.

Justice Minister Yitzhak Moda'i's letter to Herzog advising the president to pardon the four GSS men was also entered into court records last night.

Shamgar adjourned the hearing until 4.30 this afternoon.

Gurdjeff
Ouspensky
Centre
052-78423

HOW PROJECT RENEWAL WAS BORN

Reluctant consensus

IRVING BERNSTEIN

PROJECT RENEWAL was born in controversy, raised in confusion, choked by doubts and antagonisms and kept alive only through the dedication and zeal of a very few people in the Israeli government, the Jewish Agency, the United Jewish Appeal, Keren Hayesod, the fund-raising communities and participating Israeli neighbourhoods.

At its inception, a government minister used a Yiddish expression to describe the programme as illegitimate, most Americans saw it as a gimmick, many in Israel felt it was a political decision - but today all take pride in its record of achievement. If Project Renewal proved the doubters wrong by bringing new hope to neighbourhoods and depth to Israel-Diaspora relations, it was because a minority of its supporters in each involved country were practitioners in the field, unfettered by their establishments and not burdened by the painful labour of Project Renewal's birth. Therein lies its problems today as well as its hope for the future.

If Project Renewal is to continue to strengthen the links between Diaspora communities and individuals with Israel and build social structures and leadership in Israel's underprivileged neighbourhoods, the initial problems that still plague the programme must be resolved. But they may never be unless there is a readiness to move past slogans and face Project Renewal's very beginning.

In August 1975, just two hours before the closing dinner in the Knesset of a National UJA Prime Minister's Mission, word was received by UJA leaders that Prime Minister Menachem Begin planned to propose a special emergency housing campaign for deprived neighbourhoods in Israel.

An urgent call was placed to the prime minister and UJA leaders met him and his advisers at the prime minister's residence. The UJA leaders were dressed for dinner and Begin, still in his shirt-sleeves, was perplexed and disturbed as to the reasons for the objections to his proposed programme.

It was explained that announcing a new billion dollar housing campaign, without prior notification, would confuse those present, harm the mission's purpose, and create insurmountable difficulties for the proposed new effort.

After considerable discussion, Begin relented, agreed not to launch the new programme but announce it as a critical item on the Jewish agenda. A committee was appointed, headed by Max Fisher, then chairman of the Board of Governors of the Jewish Agency, to plan a viable framework for the prime minister's proposal - one that would heighten

the possibility of success in Israel and be accepted by UJA and community federations. The members of the committee were drawn from the United Jewish Appeal, Council of Jewish Federations, the United Jewish Appeal and the Joint Distribution Committee.

IT WAS THIS committee's deliberations, together with representatives of the federations, that added the social component as a precondition for involvement - an attempt to avoid repeating the failure of America's "Wars on Poverty" which dealt only with housing.

Yet, the committee delayed, as it sensed opposition in Israeli government ministries and Jewish Agency departments, and in American community federations to funding a programme above and beyond regular budgets, and one with funds not available for allocation by the government, the Jewish Agency, municipalities or communities.

Finally, Max Fisher forced the programme out of committee as he understood that the perfect order would never be realized. National UJA then struggled with the concept and finally came forth with the name, Project Renewal, in time for its presentation to a Council of Jewish Federations quarterly meeting in Washington. There, a reluctant consensus was reached but only on the basis of community option in conducting the campaigns for Project Renewal. The debate was stormy as those present raised valid questions regarding the structure and process for the programmes both in the U.S. and in Israel.

Thereafter it was learning by trial and error due to the lack of preparation in both countries which resulted in: twinning of incompatible communities and neighbourhoods due to inadequate research and planning; limitation of Project Renewal to five years in order to overcome community resistance; inequities in community response as local option limited participation to small groups of larger contributors; inappropriate budgets and authority in Israel in the government and Jewish Agency to carry out the programme.

IT IS ALMOST 10 years now since Menachem Begin stood in the Knesset to propose partnership to resolve a crisis not connected with war. He reacted viscerally to the problem of inadequate housing. Others with vision and courage in Israel and in the Diaspora added social substance and today the results are visible throughout the land.

The question today is whether

Project Renewal still makes a difference in Israel and throughout the Jewish world? Does the process uplift people and places in Israel? Does it strengthen Diaspora relationships with the people, land and State of Israel?

If it does, isn't it time for communities outside of Israel to begin to be less selective in their involvement and, for example, begin planning for Israel's 50th anniversary to bring the largest number of men, women and children from all giving levels to celebrate with their neighbourhoods and plan together for the future?

If it does, isn't it time for the government to deal with Renewal on appropriate standards in every ministry with budgets commensurate to the challenge and the opportunity?

And if it does, shouldn't the Jewish Agency consider changing its priorities and its relationship with its funding bodies so that Renewal budgets will be met as are all other departmental budgets?

And with Western aliyah practically non-existent, with government cuts in budgets, with the Jewish Agency struggling to meet needs and cut debt at the same time, with increases in campaign funds barely keeping pace with inflation, shouldn't the lessons learned in Project Renewal be transferred to other areas of interpersonal Diaspora-Israeli involvement - whether education, settlement, immigration, absorption or industry?

The real wonder of Project Renewal is not that it achieved so much in so short a time against such strong opposition, but that it did it for so little - less than an average of \$20 million annually from the Jewish world excluding Israel's contribution.

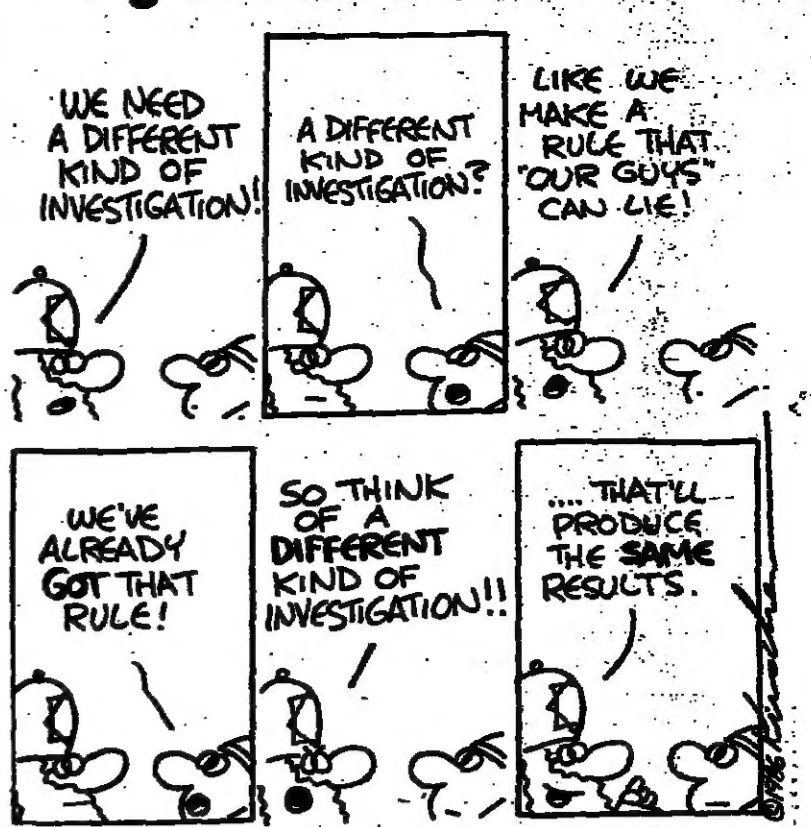
The secret is the process - personal involvement of people working together in a partnership with and not for the bureaucracies in Israel and in the funding countries.

Imagine what might have happened, and still could, if Project Renewal were to be funded at a level appropriate to its challenge and potential, and opened up to all generations no matter their level of giving or role in communities.

The programme has seen continuity from generation to generation in less than a decade. Ten years ago, Max Fisher led the way to its acceptance. Today his daughter, Jane Sherman, is Project Renewal national chairwoman. Ten years from now - Project Renewal will either be a way of life for Israelis and Jews from all over the world or just a distant memory.

The writer is a member of the board of governors of the Jewish Agency and former executive vice-chairman of the United Jewish Appeal.

Dry Bones



Clumsy weapon

DAVID KRIVINE

AS ONE reads of sick people abandoned by their nurses in hospitals up and down the country, the question arises whether in this day and age the clumsy strike weapon is really the only way of fixing what are to be the wages and working conditions of the different occupation-groups.

A strike as conceived long ago was a contest located in a single workplace. Both sides had something to lose: the workers their wages, the employers their profits. Nobody else was affected; other factories supplied the needs of the public.

With the passage of time conditions have changed. The strike in the individual workplace still happens, but it is a rare event. The typical shutdown today is branch-sized. The sufferer is no longer the employer, his profits are not at stake.

If the hospitals lose their present dispute the cost will fall on the state budget. Nor are the nurses' earnings imperilled. Even if they fail to get all they ask for, their union will not remove its stranglehold until all wage losses are made good.

The victim in this and other disputes is the population at large. An essential service is denied to the general public. The vulnerable sections (those dependent on the service) suffer, and the man-in-the-street gets increasingly angry.

STRIKES used to be a trial of strength, now they are a competition in sensibilities. The question to be settled is: which side will respond to the suffering and the anger? The answer has little to do with rights and wrongs.

The side that caves in first, whether because it is more soft-hearted or because it is more anxious about its public image, will be the loser.

The distressing aspect of walkouts like the one now paralysing Israel's hospitals is the lack of proportion between ends and means. Major hardship is caused to a mass of innocent people - because of what? Because of a refusal among trade unions to check certain controversial facts.

The nurses claim their pay lags behind that of other sectors. The authorities are willing to negotiate a rise, provided those other sectors do not demand a similar one for themselves.

So the row is between the nurses and the other sectors, namely, their fellow trade unionists within the Histadrut. These comradesly groups re-

fuse point-blank to refrain from demanding whatever rise the nurses get; which means they do not agree that the nurses are underpaid.

At the root of the present strike is an argument about statistics. Are the nurses paid less than everybody else or are they not? There is a way of finding out - through job analysis and job evaluation. All factors would be taken into account: skills, training, duty-time night-work, responsibility, emotional stress, shortage of labour in the occupation (necessitating higher salaries to attract more applicants) and whatever else.

The unions do not trust such "scientific" methods. They prefer to settle the argument with a fight. Is there a gap in the nurses' income or isn't there? The way to find out is to deny patients their dialysis, their injections, their clean sheets and their bedpans. Then we shall see who is right.

THE NURSES claim they are battling not only for more money. Owing to budget cuts the hospitals are short-staffed. As a result too few nurses have to cope with too many patients.

Strictly speaking, that problem belongs to management. The nurses have their working hours; when they have finished they go home. If the patients feel neglected, their quarrel should be with the hospital authorities.

Admittedly, that is easy to say. The nurses feel hard done by: but they should harden their hearts and let management worry. The patients should not be penalized either because of wage differentials or staffing levels. Compared with their present neglect the treatment they get in hospital in normal times - with all the labour shortage - seems idyllic.

Closing down a single hospital could be justified as a legitimate industrial action. Closing down an entire public service is more than a strike: it is a civil clash. Those invoking the stoppage defy not just the employer - they defy society.

ONE OF their spokesmen put the matter in a nutshell: "Let us see," she said, "if they can imprison 11,000 nurses." When you have the numbers, in other words, you are above the law.

Supposing this work dispute, like its no less gory predecessors, ends in agreement, the trouble will not stop there. Wage-settlements achieved through this type of collective bargaining are never conclusive.

There is a domino effect. When one gets, everybody gets; which means that ultimately nobody gets. Once all have had a go, we are back at the beginning. The cycle of strikes has to start all over again: first the doctors, then the engineers, then the schoolteachers, and so forth.

All that, in order to decide correct salaries and correct staffing levels. There must surely be a less blood-thirsty way of making the required calculations.

READERS' LETTERS

PROTECTING THE HOME-BUYER

To the Editor of The Jerusalem Post Sir, - I refer to Macabee Dean's article of June 24, "A looming shortage of flats."

The standard American construction contract contains a performance bond and a completion bond. These bonds guarantee completion of the construction by the date established in the contract and the performance of work according to established standards - usually those of the architect. The future owner of the construction is protected completely as to the date by which the project is to be finished and as to the quality of the work that is delivered.

The bonding companies, by actively supervising all phases of the construction, keep themselves abreast of what is happening at the construction site. This minimizes the failure rate and keeps bond costs low. Contractors who tend to breach the terms of the bond, usually will not be bonded again and thereby become less competitive and are forced to go into other lines of work. In my experience as a lawyer involved in numerous construction contracts, I would say the system works rather well.

There is no reason that a similar system of bonds cannot be used here in Israel. The active participation of the bonding company during the construction phases of the project and the competitiveness of the business will soon drop the prices below the maximum of five per cent annually, stated in your article. There really is no reason such an arrangement should not be insisted upon by each and every purchaser of construction.

MANFRED J. SCHMIDT
Jerusalem.

IDENTIFYING CONVERTS

To the Editor of The Jerusalem Post Sir, - The very idea to indicate converts to Judaism as such on their identity cards is abominable. It is contrary to Halacha. It violates fundamental principles of Torah ethics no less than Minister Peretz's monstrous declaration about the bus disaster which caused the death of so many Petah Tikva children.

What a joy this minister must be to all those who reject the Judaism of the Torah!
Rabbi ELIEZER BERKOVITS
Jerusalem.

ARCHEOLOGICAL SITES

To the Editor of The Jerusalem Post Sir, - We refer to Sam Gross's letter of June 15, in which he expresses concern about the neglected condition of the Tel Lachish site.

There is no doubt that Mr. Gross's concern is well founded. However, we should like to point out that the sad state of affairs at Tel Lachish after an excavation season, as well as that of many other similar archaeological sites in the country, is due to the lack of financial resources to maintain them, preserve them and ultimately restore some of them.

Our voluntary organization has embarked upon the project of restoring the famous Lachish, gates destroyed by Sennachib of Assyria in 701 B.C.E. and as from July 1, we are resuming work the second season. This task will require considerable time and money.

We join Mr. Gross in urging all organizations and authorities concerned to form a special body for the preservation and upkeep of such historical sites.

G. MAJEWSKI,
President,
Friends of the
Archaeological Institute,
Tel Aviv.

YOUR GUIDE IN ISRAEL

Carta's Official Guide to Israel

A splendid kit for the serious tourist, includes a huge road map in two parts and the 468 page guide. Its most impressive feature is the gazetteer, which lists and describes every place name on the Israeli map. Comes with a leatherette pouch.
PRICE: IS 19.27

Adventure in the Holy Land

By Marcia Kretzmer
A guide especially for children, imaginative and educational. Kretzmer gives a simplified account of history, legends and facts and develops an awareness of biblical history and modern Israeli society. Easy-reading, yet thoughtful text. Includes photos, maps and illustrations.
PRICE: IS 12.45

Massada Guide to Israel

By A. Lewensohn
Chock-full of information, this practical guide features all the pertinent information about the 1,800 cities, towns, villages and sites in Israel, plus 23 detailed maps of the country, as well as city and tour maps. Published by Massada, softcover, 552 pages.
PRICE: IS 15

The Kibbutz Inns of Israel

A tour of the country's kibbutz guest houses, written in a personal, lyrical style. The author, Abe Kramer, describes the inns' communities and environs, their individual charms and distinctive characteristics. Published by Carta, softcover, 120 pages.
PRICE: IS 7.45

Marty's Walking Tours in Biblical Jerusalem

Combining Bronx cheer with Jerusalemite know-it-all, Isaac's little book is one of Jerusalem's most personable tour guides. 30 double pages, published by Carta and The Jerusalem Post.
PRICE: IS 6.20

Carta's Christian Pilgrim Map

And Guide to the Churches of the Holy Land. A large, colourful and very informative map that every pilgrim will find indispensable. Includes a large map of the ancient Holy Land area with corresponding modern-day cities, towns and routes. Beautifully illustrated, makes a fine wall poster, too.
PRICE: IS 4.95

Carta's Israel Road and Touring Guide

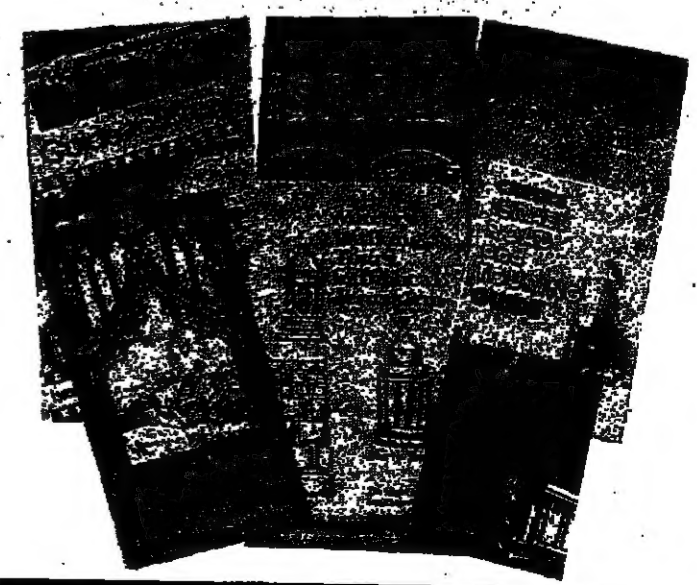
The acclaimed guide in a new handy format. Features 78 multi-coloured road maps, tips for all seasons, complete index and descriptive text of each region of the country. A must for all drivers!
PRICE: IS 21.90

Carta's Holyland Touring Map

An easy-to-read road map of Israel, including supplemental maps of Gush Dan and Jerusalem.
PRICE: IS 3.70

Bazak Guide to Israel

The famous best-selling Bazak Guide, packed with up-to-date information for the visitor to Israel. Everything you need to know about hotels and hostels, restaurants, camp sites, museums, art galleries, historic and religious sites. The 1985-86 edition features 24 full-colour topographic road maps covering the entire country. Published by Harper & Row, softcover, 480 pages.
PRICE: IS 19.30



To: The Jerusalem Post, P.O.B. 81 Jerusalem 91000
Please send me the item(s) listed below.

IS _____
IS _____
IS _____
IS _____
IS _____
Name _____ Total: _____
Address _____ City _____
Code _____ Tel No. _____

Prices valid for orders postmarked up to July 31, 1986.